

DONATION AGREEMENT

This Donation Agreement (“Agreement”) is entered into between DARRYL PAULSEN (“Paulsen”), the CITY OF PORTLAND (“City” or “Donee”), WHITE STAG BLOCK MASTER SUBTENANT, LLC (“WSMST”) and RAMSAY SIGNS, INC (“Ramsay”) (collectively referred to as the “Parties”).

RECITALS

- A. WHEREAS, Paulsen owns the “Made in Oregon” Sign affixed to the building located at 70 N.W. Couch St., Portland, Oregon, commonly referred to as the White Stag Building (“Building”) and, a photograph of which is attached as Exhibit A; and
- B. WHEREAS, Paulsen has presently leased to Ramsay Signs, Inc. (“Ramsay”), the “Made in Oregon” Sign.
- C. WHEREAS, Paulsen as assignee is currently a tenant under that certain expired rental agreement dated June 14, 2006, between White Stag Block, LLC, managed by Venerable Group, Inc. (“Landlord”), whereby Paulsen leases the right to affix the “Made in Oregon” Sign to the Building (the “Expired Rooftop Lease”).
- D. WHEREAS, the Parties intend for Paulsen to enter into a contract with White Stag Block Master Subtenant, LLC, (“WSMST”) to convert the “Made in Oregon” Sign to “Portland Oregon” Sign (a drawing is attached as Exhibit B) by removing the words “Made in” and replacing them with “Portland Oregon” in a manner that is consistent with the historic scale and font of the “Made in Oregon” Sign.
- E. WHEREAS, Paulsen has obtained all necessary approvals, including, but not limited to, Landmarks Commission and Portland City Council for the “Portland Oregon” Sign conversion.
- F. WHEREAS, WSMST, in consideration of other lease opportunities has agreed to pay for the “Portland Oregon” Sign conversion.
- G. WHEREAS, Paulsen, upon the completion of the conversion of said Sign to “Portland Oregon”, desires to terminate the Expired Rooftop Lease and to donate the converted Sign to City upon the terms and conditions in this Agreement.
- H. WHEREAS, WSMST and City have negotiated a “Rooftop Commercial Lease” and a “Rooftop Easement.”
- I. WHEREAS, City is willing to accept the donation of the “Portland Oregon” Sign from Paulsen upon the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are by this reference incorporated into this Agreement, and in consideration of mutual covenants contained herein, Paulsen and City hereby agree as follows:

1. Donation.

Upon the following conditions as set forth in paragraph 2 being met, Paulsen will donate all of its right, title, and interest in and to the "Portland Oregon" Sign, to the City in accordance with and subject to the limitations, terms and conditions herein set forth.

2. Conditions of Donation.

The following are conditions of Paulsen donating the "Portland Oregon" Sign and City accepting the "Portland Oregon" Sign:

- 2.1 Paulsen has obtained all necessary governmental approvals for the "Portland Oregon" Sign conversion.
- 2.2 Paulsen converts the existing "Made in Oregon" Sign to "Portland, Oregon" Sign by removing the words "Made in" and replacing them with Portland in a manner that is consistent with the historic scale and font of the "Made in Oregon" Sign.
- 2.3 WSMST pays Ramsay for all Sign conversion charges.
- 2.4 Upon completion of the Sign conversion, Paulsen and White Stag Block, LLC terminate the Expired Rooftop Lease.
- 2.5 City enters into the Rooftop Commercial Lease with the agreed upon Rooftop Easement with WSMST.
- 2.6 Paulsen provides City with all documents listed in Exhibit C when the conversion of the sign to the "Portland Oregon" Sign is complete and prior to closing.
- 2.7 The City accepts the "Portland Oregon" Sign conversion in accordance with paragraph 5 below.
- 2.8 Paulsen agrees to provide City with a fully executed transfer of title to the "Portland Oregon" Sign at closing.
- 2.9 City agrees to execute the Maintenance Agreement with Ramsay, attached hereto as Exhibit D.
- 2.10 The Parties shall execute the Acceptance of Donation Agreement attached hereto as Exhibit E upon full and complete satisfaction of all conditions precedent as set forth in this Agreement.

3. Donor's Representations and Warranties.

- 3.1 Paulsen represents and warrants that upon execution of this Agreement by the City, Paulsen has good, valid and marketable title to the "Made in Oregon" Sign, no right to acquire the "Made in Oregon" Sign has been granted to any other party, and the "Made in Oregon" Sign is free and clear of all liens, claims, security interests, pledges, charges, adverse claims, and encumbrances of any nature, except the lien of property taxes not yet due and payable. None of the foregoing representations or warranties is intended to limit the generality of any of Paulsen's other representations or warranties in this Agreement. City's actual or constructive notice of any liens, encumbrances, easements, assessments,

restrictions, options, adverse claims, and other exceptions to title shall in no way limit Paulsen's representations or warranties hereunder.

- 3.2 Paulsen represents and warrants that upon acceptance of the "Portland Oregon" Sign by the City, Paulsen will have good, valid and marketable title to the "Portland Oregon" Sign, no right to acquire the "Portland Oregon" Sign has been granted to any other party, and the "Portland Oregon" Sign will be free and clear of all liens, claims, security interests, pledges, charges, adverse claims, and encumbrances of any nature, except the lien of property taxes not yet due and payable. None of the foregoing representations or warranties is intended to limit the generality of any of Paulsen's other representations or warranties in this Agreement. City's actual or constructive notice of any liens, encumbrances, easements, assessments, restrictions, options, adverse claims, and other exceptions to title shall in no way limit Paulsen's representations or warranties hereunder.
- 3.3 Except for the leases and agreements referred to in this Agreement, Paulsen represents and warrants that he knows of no other leases and/or agreements affecting the "Made in Oregon " or "Portland Oregon" Sign or any portion thereof.
- 3.4 Paulsen agrees to indemnify and hold harmless City from and against any and all claims arising from any misrepresentation or breach of warranty by Paulsen hereunder. The representations and warranties set forth in this Section shall constitute continuing representations and warranties. All of the representations and warranties and Paulsen's related indemnification and other obligations as set forth in this section shall survive the completion of this Agreement.
- 3.5 Paulsen represents and warrants that Paulsen has authority to enter into this Agreement and that Paulsen holds all rights, title, and interest in and to the "Made in Oregon" / "Portland Oregon" Sign. Paulsen further represents and warrants that execution, delivery and performance of this Agreement and Transfer of Title have been duly authorized and approved by all actions necessary on the part of Paulsen and that this Agreement and Transfer of Title constitute valid and binding agreements of Paulsen in accordance with their terms.
- 3.6 Paulsen has no actual knowledge that the "Made in Oregon" / "Portland Oregon" Sign contains any "Hazardous Materials" (as hereinafter defined) that violate any Environmental Laws (as hereinafter defined). The term "Hazardous Materials" shall collectively refer to underground storage tanks, petroleum and petroleum products, asbestos, PCBs, urea-formaldehyde and any hazardous or toxic substances, pollutants, contaminants, wastes or materials as defined under any "Environmental Laws." The term "Environmental Laws" shall collectively refer to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, The Toxic Substances Control Act, the Clean Water Act 33 U.S.C. § 1251-1387, the Resource Conservation and Recovery Act as amended, or any other similar federal, state or local law, rule or regulation respecting Hazardous Materials together with all rules and regulations promulgated there under and all amendments thereto.
- 3.7 There are no pending actions against Paulsen (or to Paulsen's actual knowledge, against any other person or entity) which relates to the condition or use of the "Made in Oregon" / "Portland Oregon" Sign and Paulsen has no actual knowledge of any facts or circumstances which could give rise to such action.

- 3.8 Paulsen represents and warrants that, to Paulsen's actual knowledge, there are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings contemplated by, or pending or threatened against, Paulsen which could prevent or delay the consummation of this transaction.
- 3.9 Paulsen represents and warrants that upon conversion of the "Portland Oregon" Sign, the Expired Rooftop Lease with White Stag Block, LLC will be terminated.
- 3.10 Paulsen, Ramsay and City acknowledge that the owner of the Building and/or WSMST have the unrestricted authority to allow the "Portland Oregon" Sign to be incidentally used in any photographs of the Building without payment of any compensation to any party. Such incidental use by WSMST is not a violation of the City's "Right" as set forth in paragraph 7.3 below.

4. City's Representations and Warranties.

City represents and warrants that: (a) City has the power and authority to enter into and perform this Agreement; (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on the part of City; (c) this Agreement has been duly executed and delivered by City and constitutes a valid, binding and enforceable obligation of City; and (d) presently there are no federal or state laws, rules or regulations which do not affect the services to be provided by Ramsay under this Agreement or the funding proposed for payment authorized by this Agreement.

5. Acceptance by City.

- 5.1 When Paulsen determines that conversion of the "Portland Oregon" Sign is fully complete and has been accepted by WSMST, he shall provide written notice to City. After receipt of such written notice, and upon satisfaction of all conditions in Paragraph 2 above, City will have fourteen (14) calendar days to accept or reject the conversion.
- 5.2 If the conversion does not meet the requirements of this Agreement, City will provide written notice of non-acceptance to Paulsen and WSMST within the fourteen (14) day period, specifically identifying the deficiencies.
- 5.3 Upon receipt of notice of non-acceptance, Paulsen will have fourteen (14) calendar days to revise, correct or otherwise modify the conversion to address the deficiencies noted in City's non-acceptance. If the parties agree that this is insufficient time to address all deficiencies, City and Paulsen will mutually agree upon a time period for Paulsen with the approval of WSMST to satisfactorily address the deficiencies. If City and Paulsen are unable, in the opinion of either, to agree upon a time period for Paulsen to satisfactorily address the deficiencies, either City or Paulsen may terminate this Agreement.
- 5.4 City and Paulsen may also negotiate any other resolution mutually acceptable to the Parties.
- 5.5 Upon the closing of City acquisition of the "Portland Oregon" Sign, title to the Sign shall vest in City.

6. Title to Display and Risk of Loss.

Because title to the Portland Sign rests with Paulsen until closing of City's acquisition of the "Portland Oregon" Sign, all risk of loss of the Portland Sign prior to such closing rests with Paulsen.

7. Obligations of City.

The following obligations of City shall survive the actual donation of the "Portland Oregon" Sign from Paulsen to City and will continue to be contractual obligations of City for as long as City owns said Sign.

- 7.1** City agrees that as long as said Sign is in use and being displayed, City will always include "Ramsay" on the "Portland Oregon" Sign.
- 7.2** City agrees Ramsay may place a mutually agreed upon banner on the "Portland Oregon" Sign from November 1, 2011 through January 7, 2012 to celebrate the 100 year anniversary of Ramsay in a form subject to WSMST's approval, which shall not be unreasonably withheld. The installation and maintenance of said banner shall be in such a manner as to not adversely effect the structural integrities of the "Portland Oregon" Sign, the building or cause a fire or other hazard. Ramsay agrees that (a) the banner shall comply with all City codes; (b) the banner shall be no larger than the existing "Portland Oregon" Sign; (c) the banner shall not structurally alter the "Portland Oregon" Sign; (d) Ramsay shall remove the banner and restore the "Portland Oregon" Sign to as good a condition as existed prior to the placement of the banner; and, (e) that all expenses associated with the banner and removal shall be the responsibility of Ramsay.
- 7.3** Paulsen retains a limited, non-exclusive, non-sublicensable, non-transferrable, and non-assignable (except as specifically set forth in this section) right to use the "Portland Oregon" Sign image solely in conjunction with the advertisement of their business associated to Ramsay and Paulsen agrees not to take any action the City may reasonably consider (a) prejudicial to the City; (b) prejudicial to the City's ownership of the "Portland Oregon" Sign; or (c) likely to detract from the good will associated with the "Portland Oregon" Sign (the "Right"); (d) violate any provision of the Rooftop Commercial Lease or Rooftop Easement, or take any action that would cause the loss of any historic tax credits owned by White Stag Block, LLC or which would threaten the status of the building as a National Register Property. The City agrees that Paulsen may assign the Right to Ramsay upon Ramsay's written notification to City ("Ramsey Assignment"). Paulsen agrees that other than the Ramsey Assignment, the Right is non-transferable and non-sublicensable, absent the City's written consent, which may be granted or withheld in the City's sole discretion. Ramsay shall not be permitted to transfer, sublease, assign, or otherwise alienate the Right. Paulsen and Ramsay are specifically prohibited from reproducing the "Portland Oregon" Sign image for sale; City shall have the exclusive Right to reproduce the "Portland Oregon" Sign image for sale and to enter into agreements with others including for profit businesses to use the "Portland Oregon" Sign image.

7.4 City will not sell the naming rights to the "Portland Oregon" Sign and/or permit any advertising on said Sign except as set forth in this Agreement.

7.5 City agrees to give Ramsey right of first refusal to make any City requested alterations to the "Portland Oregon" Sign, provided that (1) Ramsay is not in breach or any agreement with the City, (2) Ramsay is not in litigation with the City, (3) Ramsay's proposed charges are commercially reasonable, (4) Ramsay is qualified to do the work, (5) Ramsay can perform the work within the time required by the City, and (6) Ramsay agrees to abide by all laws and regulations applicable to public contracts.

8. Warranty against Defects.

Paulsen warrants the conversion and "Portland Oregon" Sign against all defects, including but not limited to mechanical and electrical defects, for a period of 90 days from the date City acquires title to the "Portland Oregon" Sign. Such warranty shall include all labor and materials. All defects in workmanship shall have inclusive repair and replacement coverage one (1) year following City acquisition of title.

9. Termination.

In the event the Donation conditions in paragraph two (2) are not satisfied, either party may terminate this Agreement upon ten (10) days advance written notice to the other party.

10. Closing.

Upon satisfaction of all conditions as set forth in paragraph two (2): (1) Paulsen shall provide to City the fully executed Transfer of Title transferring the "Portland Oregon" Sign to City; (2) City and Ramsay shall enter into the Maintenance Agreement set forth in Exhibit D; (3) City and Paulsen shall execute the Acceptance of Donation Agreement set forth in Exhibit E.

11. Casualty.

11.1 Should the "Portland Oregon" Sign be damaged or destroyed by fire or other casualty prior to City's receipt of the Transfer of Title, City, at City's sole option, may elect to terminate City's obligation to accept the donation of the "Portland Oregon" Sign by giving written notice to Paulsen.

11.2 Paulsen agrees to maintain the "Portland Oregon" Sign in good condition and repair through City's receipt of the Transfer of Title, reasonable wear and tear expected.

12. Successors.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

13. Termination of City's Ownership of Sign.

In the event the City decides to transfer ownership of the Sign to a private party (not a governmental, public, charitable, or non-profit entity) the City shall give Ramsay or its successors in interest, the right of refusal to purchase said Sign for one dollar (\$1.00).

14. Default.

14.1 Except as set forth in Section 9, neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from the other party and WSMST specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period, has rectified the particulars specified in said notice of default.

14.2 In the event of a default, the nondefaulting party may:

- i. Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the nondefaulting party;
- ii. Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the nondefaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;
- iii. Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and
- iv. Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting party.

15. Notices.

All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Donor: Darryl Paulsen
 3818 W. 12th Street
 Anacortes, WA 98221
 Business: 800-613-4555
 Cell: 503-504-9185
 E: darryl@Paulsensigns.com

Donee: City of Portland Office of Management and Finance
Jeff Baer
1120 SW 5th Ave., Rm 1250
Portland, OR 97204
P: 503.823.6852
F: 503.823.5384
E: jeffrey.baer@portlandoregon.gov

WSMST: White Stag Master Subtenant, LLC
Attn: Art DeMuro
70 NW Couch Street, Suite 207
Portland, OR 97209

Ramsay: Wendy Gibson, President
Ramsay Signs, Inc.
9160 SE 74th
Portland, OR 97206
P: 503.777.4555
F: 503.777.0220
E: wendy@ramsaysigns.com

With a copy to: Linda Law
Mark Moline
Office of the Portland City Attorney
1221 SW 4th Ave., Rm 430
Portland, OR 97204
P: 503.823.4047
F: 503.823.3089
E: linda.law@portlandoregon.gov
E: mark.moline@portlandoregon.gov

David P. Weiner
Greene & Markley PC
1515 SW 5th Ave, Ste. 600
Portland, OR 97201
P: 503-295-2668
F: 503-224-8434
E: david.weiner@greenemarkley.com

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt. For the purpose of this Agreement, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in

the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

16. Captions and Headings.

The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

17. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

18. Construction.

In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

19. Joint and Several Obligations.

In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

20. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto.

21. Time Period Computation.

All time periods in this Agreement shall be deemed to refer to calendar days unless the time period specifically references business days; provided that if the last date on which to perform any act or give any notice under this Agreement shall fall on a Saturday, Sunday or local, state or national holiday, such act or notice shall be deemed timely if performed or given on the next succeeding business day.

22. Survival.

All of the representations and warranties set forth in this Agreement shall constitute continuing representations and warranties, and shall (along with all indemnification, defense and hold harmless obligations related thereto) survive the closing of City's acquisition of the "Portland Oregon" Sign from Paulsen.

23. Third Party Beneficiary Rights.

Other than Ramsay, White Stag Block, LLC, WSMST and any subsequent owner of the Building, who are third party beneficiaries of this Agreement as is set forth herein, this Agreement is not intended to create, nor shall it in any way be interpreted or construed to create third party beneficiary rights in any other person and/or entity not a party hereto.

24. Time is of the Essence.

Time is of the essence of this Agreement.

25. Tax Compliance Certification.

Paulsen hereby affirms, under penalty of perjury, as provided in ORS 305.385(6), that to the best of Paulsen's knowledge, Paulsen is not in violation of any of the tax laws described in ORS 305.380(4).

26. Jurisdiction.

This Agreement shall be governed by the laws of the State of Oregon, and the parties agree to submit to the jurisdiction of the courts of the State of Oregon and the venue of the Multnomah County Circuit Court.

27. Mediation.

Should any dispute arise between the parties concerning this agreement this is not resolved by mutual agreement, it is agreed that it will be submitted to mediated negotiation prior to any party commencing litigation. In such an event, the parties to this agreement agree to participate in good faith in a non-binding mediation process. The mediation shall take place in Portland, Oregon. The mediator shall be selected by mutual agreement of the parties, but in the absence of such agreement each party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. The mediator's fees and costs shall be borne equally by the parties.

EXECUTED in duplicate as follows:

DARRYL PAULSEN:

CITY:

Date

Date

APPROVED AS TO FORM:

RAMSAY:

WSMST:

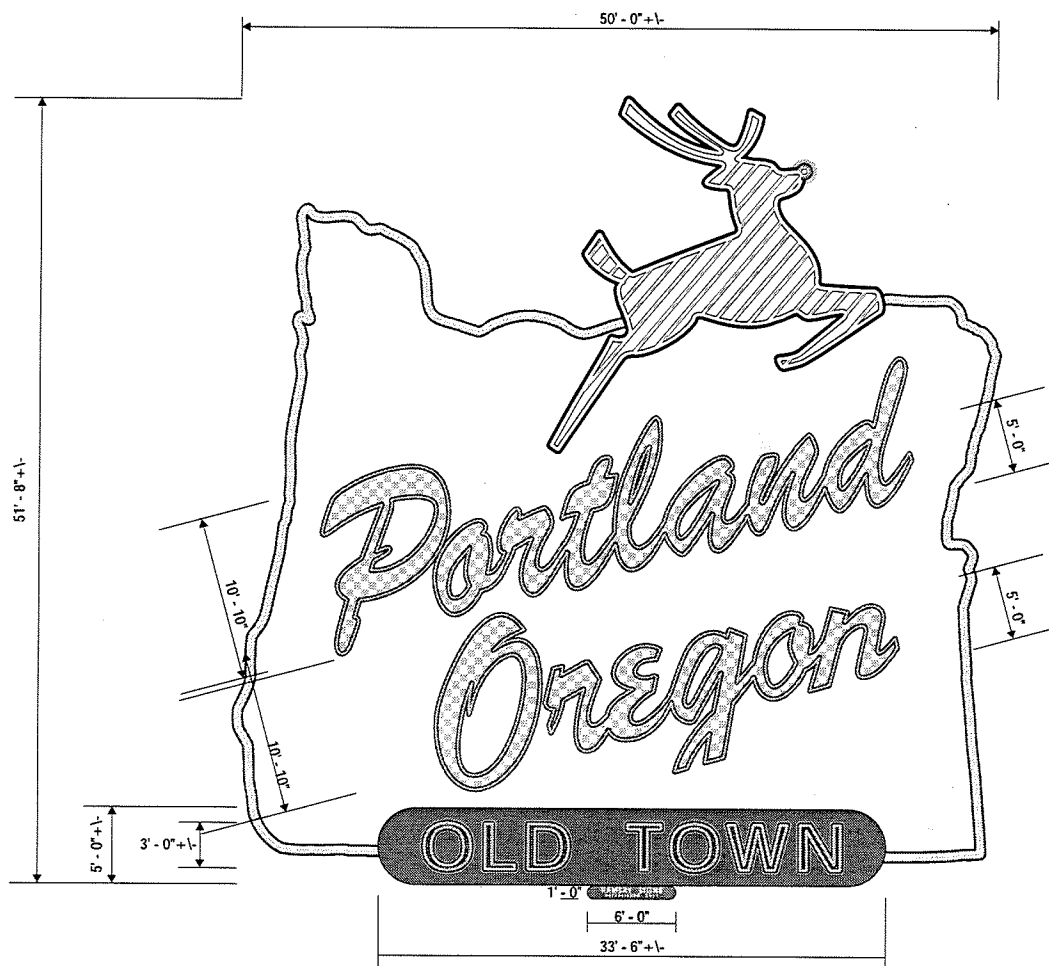
Date

Date



SCALE: 1/8" = 1' - 0"

PROPOSED



SCALE: 1/8" = 1' - 0"

REMOVE EXISTING (MADE IN) INDIVIDUALLY ILLUMINATED LETTERS

REMOVE AND REINSTALL EXISTING (OREGON) LETTERS

MANUFACTURE AND INSTALL NEW (PORTLAND) INDIVIDUALLY ILLUMINATED LETTERS

(PORTLAND) LETTERS
 OPEN PAN CHANNEL LETTERS, WITH DOUBLE TUBE NEON, AND CHASING INCANDESCENT BULBS
 MATCH CONSTRUCTION OF REMOVED (MADE IN) LETTERS

EXHIBIT B
 Page 1 of 1

1 of 3



ESTABLISHED 1911

Date
 9.30.09

Client
 Portland Oregon
 Portland, Oregon

Account Executive
 Darryl Paulson

Design
 Ross Hinder

Approvals

Client _____ Date _____

Landlord _____ Date _____

Revisions

Date _____

© Copyright 2009, Ramsay Signs, Inc.

These plans are the exclusive property of Ramsay Signs, Inc. and are the result of the original work of its design team.

They are submitted to your company for the sole purpose of your consideration of whether to purchase these plans or to purchase from Ramsay Signs, Inc. a sign manufactured according to these plans.

Distribution or violation of these plans to anyone other than the purchaser of your company or one of their plans is prohibited in any manner by the use prohibited herein, in writing or otherwise.

In the event that such violation occurs, Ramsay Signs, Inc. reserves the right to pursue legal action and to seek compensation for the same and other remedies available in law.

Ramsay Signs
 9160 SE 74th Avenue Portland, Oregon 97206
 ☎ 503 777.4555 ☎ 800 613.4555 ☎ 503 777.0220

0 9 3 8 4

Exhibit C – Documents to be Provided by Paulsen

Prior to closing and within ten (10) calendar days of the completed conversion of the “Portland Oregon” Sign, Paulsen shall deliver to City the following documents, accompanied by a written certification that the documents so supplied are complete and accurate:

- A. Copies of all plans, construction documents and as-built plans for the “Portland Oregon” Sign, in AutoCad format, if available.
- B. Copies of all leases, service contracts, management contracts, operating statements, easements, covenants, utility agreements and all other agreements and contracts affecting the “Made in Oregon” / “Portland Oregon” Sign.
- C. Copies of all environmental, mechanical, structural, and other reports, documents or studies that relate to the condition of the “Made in Oregon” / “Portland Oregon” Sign, whether commissioned by, or made available to, Paulsen.
- D. Copies of utility bills for the “Made in Oregon” / “Portland Oregon” Sign over the past 12 months.
- E. Copies of certificates of occupancy and all other government permits required in connection with the operation and maintenance of the “Made in Oregon” / “Portland Oregon” Sign.
- F. Copies of all construction, maintenance, and equipment warranties covering the “Portland Oregon” Sign.

Exhibit D – Maintenance Agreement

This Agreement (“Agreement”) is entered into between RAMSAY SIGNS, INC., an Oregon Corporation (“Ramsay”), and the CITY OF PORTLAND (“City” or “Donee”).

- A. WHEREAS, Darryl Paulsen has donated or will donate to City:
1. the converted “Portland Oregon” Sign, previously known as the “Made in Oregon” sign affixed to the building located at 70 N.W. Couch St., Portland, Oregon commonly referred to as the White Stag Building (“Building”); and
 2. except for the Right set out in Paragraph 7.3 of the Donation Agreement, all worldwide rights, including trademarks, copyrights and the right of reproduction, that exist or hereafter exist in all past and present versions of the “Portland Oregon” Sign and any derivatives thereof, including but not limited to, any extension of copyright term.

The tangible and intangible property described in this Recital A are referred to herein as the “Portland Oregon” Sign.

- B. WHEREAS, Paulsen has converted the “Made in Oregon” Sign to “Portland Oregon” Sign; and
- C. WHEREAS, a condition of the donation by Paulsen was that the City contract with Ramsay to maintain and service the converted “Portland Oregon” Sign (hereinafter the “Portland Oregon” Sign).

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are by this reference incorporated into this Agreement, and in consideration of mutual covenants contained herein, Ramsay and City hereby agrees as follows:

1. Term of Maintenance Agreement.

Upon expiration of the warranty set forth in the parties' Donation Agreement, this Agreement shall commence and shall continue in effect for 120 months, unless terminated sooner as provided for herein.

2. Maintenance and Service.

2.1 Ramsay agrees to maintain and service the “Portland Oregon” Sign as follows:

- a. Make prompt inspection of the “Portland Oregon” Sign upon City’s request.
- b. Repair or replace inoperative luminous tubes.
- c. Replace burned out incandescent and fluorescent lamps.
- d. Replace defective transformers and ballasts.
- e. Replace broken or defective housings, sockets, tube supports and insulators.

- f. Clean the "Portland Oregon" Sign every 12 months.
- g. Maintain flashers.
- h. Repaint all exposed sign filler as needed.
- i. Repaint tube cross-over sections as needed.
- j. Replace defective wiring within the "Portland Oregon" Sign.

- 2.2 Ramsay agrees to maintain and service the "Portland Oregon" Sign by performing the obligations set forth in Section 2 and any other work specifically set forth herein.
- 2.3 Ramsay's obligation under this Agreement includes the replacement of gaseous conductor tubes and mercury filled tubing, including those that change in color and light intensity proportionate to period of use.
- 2.4 Ramsay shall perform its obligations with due diligence but subject to delay resulting from war, fire, unforeseen commercial delays, and acts of God.
- 2.5 Ramsay agrees to comply with all the terms and conditions of the rooftop commercial lease between White Stag Block Master Subtenant, LLC and City of Portland, a copy of which is attached as Exhibit A.

3. Rate.

- 3.1 The sum payable to Ramsay for its provision of all labor and materials under this Agreement shall be \$2,000 per month, inclusive of all taxes and fees. Payment shall be made no later than the 10th of each month for the current month.
- 3.2 In the event City shall fail to make any monthly payments within thirty (30) days after the due date, Ramsay may impose a late charge of twenty-five dollars (\$25.00) per day. All amounts not paid by City when due shall bear interest at the statutory rate.

4. Warranty against Defects.

Ramsay warrants all materials and labor against all defects, including but not limited to mechanical, electrical, and workmanship defects, for a period of 90 days. Such warranty shall include all labor and materials.

5. Independent Contractor.

- 5.1 Ramsay is an independent contractor, and nothing in this Agreement will be construed as creating a partnership, joint venture, franchise, agency, or employment relationship between the parties. Ramsay acknowledges and agrees that Ramsay is not an "officer," "employee," or "agent" of City, as those terms are used in ORS 30.265, and further agrees that it will not make representations to third parties to the contrary.
- 5.2 Neither party will have the authority to make any statements, representations, or commitments of any kind or to take any action binding on the other except as provided for herein or authorized in writing by the party to be bound.

- 5.3 Although the City reserves the right to monitor and evaluate the quality of the performance of Ramsay's duties hereunder, City will not control the means or manner of Ramsay's performance. Ramsay is responsible for determining the appropriate means and manner for performing hereunder and is solely and entirely responsible for Ramsay's acts or omissions and for the acts or omissions of Ramsay's agents, subcontractors and employees.
- 5.4 Ramsay agrees that it is solely responsible for payment of income, social security, workers' compensation, unemployment, and other taxes and assessments due to the proper authorities, and that such will not be deducted from any payments to Ramsay hereunder.
- 5.5 Ramsay hereby acknowledges that Ramsay and its employees, agents and subcontractors will have no right to participate in City's employee benefit plans or to receive statutory employment benefits from City and are not covered by City's disability insurance, worker's compensation insurance, or other such insurance.

6. Insurance.

- 6.1 Automobile Liability. Ramsay will obtain, at Ramsay's expense, and keep in effect during the term of this Agreement, Commercial Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits). Combined single limit per occurrence will not be less than \$1,000,000.
- 6.2 Commercial General Liability. Ramsay will obtain, at Ramsay's expense, and keep in effect during the term of this Agreement, Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverages that are satisfactory to City of Portland, White Stag Block Master Subtenant, LLC ("WSBMS, LLC") and White Stag Block, LLC. This insurance will include personal and advertising injury liability, contractual liability, products and completed operations. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). Combined single limit per occurrence will not be less than \$2,000,000 for each job site or location. Each annual aggregate limit will not be less than \$5,000,000.
- 6.3 Occurrence Coverage; Additional Insured. All insurance coverage required under Section 6 will be written on an occurrence basis. All insurance coverage will include the City, its officers, employees and agents, WSBMS, LLC and White Stag Block, LLC as Additional Insureds, but only with respect to the Ramsay's activities under this Agreement. Coverage will be primary and non-contributory with any other insurance and self-insurance.
- 6.4 Notice of Cancellation or Change. There will be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days advance written notice from the Ramsay or its insurer(s) to the City, WSBMS, LLC and White Stag Block, LLC. Any failure to comply with the reporting provisions of this clause will constitute a material breach of this Agreement and will be grounds for immediate termination of this Agreement by City.

6.5 Certificate(s) of Insurance. As evidence of the insurance coverages required by this Agreement, the Ramsay will furnish Certificate(s) of Insurance to City, WSBMS, LLC and White Stag Block, LLC prior to Ramsay's commencement of work under this Agreement. Insurance coverages required under this Agreement will be obtained from insurance companies reasonably acceptable to the City. The Ramsay will pay for all deductibles, self-insured retention and/or self-insurance included hereunder. In addition to the Certificate(s), Ramsay will provide City with an endorsement issued from Ramsay's insurance underwriter(s) adding the "**City of Portland and its officers, employees and agents**" "WSBMS, LLC" and "White Stag Block, LLC" as additional insured. Any failure to comply with this Section 6.0 will constitute a material breach of this Agreement and will be grounds for immediate termination of this Agreement.

7. Indemnity.

Ramsay will save, indemnify, and hold harmless the City of Portland and its officers, employees and agents, WSBMS, LLC and White Stag Block, LLC from all claims, suits, and actions resulting from or arising out of the activities of Ramsay, or its employees, subcontractors, and agents acting under this Agreement.

8. Warranties and Representations.

8.1 Ramsay represents and warrants that: (a) Ramsay has the power and authority to enter into and perform this Agreement; (b) the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on the part of Ramsay; (c) this Agreement has been duly executed and delivered by Ramsay and constitutes a valid, binding and enforceable obligation of Ramsay; (d) Ramsay is qualified to do business in the State of Oregon, and will take such action as, from time to time hereafter, may be necessary to remain so qualified and will ensure that all of Ramsay's agents, employees and subcontractors do the same; and (e) Ramsay has in effect and will maintain all licenses and permits required for Ramsay's performance of this Agreement and will ensure that all of Ramsay's agents, employees and subcontractors do the same.

8.2 City represents and warrants that: (a) City has the power and authority to enter into and perform this Agreement; (b) the execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on the part of City; (c) this Agreement has been duly executed and delivered by City and constitutes a valid, binding and enforceable obligation of City; and (d) presently there are no federal or state laws, rules or regulations which do not affect the services to be provided by Ramsay under this Agreement or the funding proposed for payment authorized by this Agreement.

9. Default.

9.1 It is understood and agreed by the parties that time is of the essence.

- 9.2 City shall be deemed to be in default under this Agreement if City fails to pay Ramsay's monthly rate of \$2,000 for six consecutive months.
- 9.3 City shall be deemed to be in default of this Agreement if City fails to perform the other obligations (other than payment) under this Agreement and does not correct such failure within thirty (30) days after written receipt from Ramsay specifying the particulars in which the City has failed to perform its obligations (or breach to any of its representations or warranties) under this Agreement.
- 9.4 Ramsay shall be deemed to be in default under this Agreement if Ramsay fails to perform the obligations under this Agreement and does not correct such failure within thirty (30) days after written receipt from City specifying the particulars in which Ramsay has failed to perform its obligations (or breach to any of its representations or warranties) under this Agreement.
- 9.5 In the event of a default, the non-defaulting party may:
- a. Terminate this Agreement upon written notice to the defaulting party, and recover from the defaulting party all damages incurred by the non-defaulting party;
 - b. Seek specific performance of this Agreement, and, in addition, recover all damages incurred by the non-defaulting party. The parties declare it to be their intent that this Agreement may be specifically enforced;
 - c. Perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting party or recover said monies from the defaulting party; and
 - d. Pursue all other remedies available at law, it being the intent of the parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the non-defaulting party.

10. Termination.

- 10.1 Either party may terminate this Agreement as set forth in Section 9.
- 10.2 City may terminate this Agreement immediately upon written notice to Ramsay in the event that: (a) federal or state laws, rules, regulations, or guidelines are modified or interpreted in such a way that the services to be provided by Ramsay under this Agreement are no longer allowable or appropriate for purchase by City or are no longer eligible for the funding proposed for payment authorized by this Agreement; (b) any license or certificate required by law or regulation to be held by Ramsay to provide services under this Agreement is denied, revoked, or not renewed for any reason; (c) Ramsay becomes insolvent or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; (d) a petition under any foreign, state, or United States bankruptcy act, receivership statute, or the like, as they now exist, or as they may be amended, is filed by Ramsay; (e) such a petition is filed by any third party, or an application for a receiver is made by anyone and such petition or

application is not resolved favorably to Ramsay within ninety (90) days. In the event of termination pursuant to this Section 10.3, City will pay Ramsay for services actually performed by Ramsay, but City will have no further payment obligation to Ramsay under this Agreement.

10.3 This Agreement may be terminated upon the mutual written agreement of the parties.

10.4 Except as expressly provided in this Agreement, termination of this Agreement by City in accordance with this Agreement will be without any penalty, obligation for future payments, damages, or liability whatsoever against City of Portland or its officers, agents, or employees. In no event will termination of this Agreement entitle Ramsay to recover anticipated profits on work not performed.

11. Compliance with Applicable Law.

Ramsay will comply with all federal, state, county, and local laws, ordinances, and regulations applicable to work to be done under this Agreement. Without limiting the rights and obligations set forth in Section 11.0, failure or neglect on the part of Ramsay to comply with any or all such laws, ordinances, rules, and regulations will not relieve Ramsay of these obligations nor of the requirements of this Agreement.

12. Assignment; Delegation.

This Agreement may not be assigned by Ramsay without prior written consent of the City. Notwithstanding the generality of the foregoing, Ramsay will not assign any of its rights hereunder, nor delegate or subcontract any of its duties hereunder to any third party, including but not limited to any subcontractor, without prior written consent of the City, which may not be unreasonably withheld. Any attempted assignment or delegation by Ramsay in violation of this provision will be void and without effect. This Agreement will be binding upon each party's respective successors and lawful assigns. The consent to any delegation or subcontracting of Ramsay's duties hereunder will not relieve or excuse Ramsay of any of its duties or obligations under this Agreement.

13. Records Maintenance; Access.

Ramsay will maintain all records pertinent to this Agreement in such a manner as to clearly document Ramsay's performance of its duties under this Agreement. Ramsay will retain and keep accessible all such records for minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later. Ramsay further acknowledges and agrees that City and its duly authorized representatives will have access to such records that are pertinent to this Agreement in order to perform examinations and audits and make excerpts and transcripts solely to determine Ramsay's compliance with this Agreement.

14. Recycled Products.

Ramsay will use recyclable products to the maximum extent economically feasible in the performance of the work set forth in this Agreement.

15. Conflict of Interest.

Ramsay presently has no interest and will not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of services hereunder. Ramsay further covenants that in the performance of this Agreement no person having any such interest will be employed by it or will be a subcontractor to it.

16. Tax Compliance Certification.

Ramsay hereby certifies, under penalty of perjury, as provided in ORS 305.385(6), that to the best of Ramsay's knowledge, Ramsay is not in violation of any of the tax laws described in ORS 305.380(4).

17. Ownership of Work Product.

All work product of Ramsay that results from this Agreement is the exclusive property of City. City and Ramsay intend that such work product be deemed "work made for hire" of which City will be deemed to be the author. If for any reason the work product is not deemed "work made for hire," Ramsay hereby irrevocably assigns to City all of its right, title, and interest in and to any and all of the work product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Ramsay will execute such further documents and instruments as City may reasonably request in order to fully vest such rights in City. Ramsay forever waives any and all rights relating to the work product, including without limitation, any and all rights arising under 17 U.S.C. Sec. 106A or any other rights of identification of authorship or rights or approval, restriction, or limitation on use or subsequent modifications.

18. No Third Party Beneficiaries.

City and Ramsay are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or will be construed to give or provide, any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

19. Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Agreement.

20. Execution and Counterparts.

This Agreement may be executed in counterparts, and via facsimile or electronically transmitted signature (i.e. emailed scanned true and correct copy of the signed Agreement), each of which will be considered an original and all of which together will constitute one and the same agreement. At the request of a party, the other party will confirm facsimile or electronically transmitted signature page by delivering an original signature page to the requesting party.

21. Successors.

This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the parties hereto.

22. Notices.

All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Ramsay: Wendy Gibson, President
Ramsay Signs, Inc.
9160 SE 74th
Portland, OR 97206
P: 503.777.4555
F: 503.777.0220
E: wendy@ramsaysigns.com

City: City of Portland Office of Management and Finance
Jeff Baer
1120 SW 5th Ave., Rm 1250
Portland, OR 97204
P: 503.823.6852
F: 503.823.5384
E: jeffrey.baer@portlandoregon.gov

With a copy to: Linda Law
Mark Moline
Office of the Portland City Attorney
1221 SW 4th Ave., Rm 430
Portland, OR 97204
P: 503.823.4047
F: 503.823.3089
E: linda.law@portlandoregon.gov
E: mark.moline@portlandoregon.gov

David P. Weiner
Greene & Markley PC
1515 SW 5th Ave, Ste. 600
Portland, OR 97201
P: 503-295-2668
F: 503-224-8434
E: david.weiner@greenemarkley.com

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt. For the purpose of this Agreement, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to subparagraph (a) above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to subparagraph (a) above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

23. Time is of the Essence.

Time is of the essence of this Agreement.

24. Jurisdiction.

This Agreement shall be governed by the laws of the State of Oregon, and the parties agree to submit to the jurisdiction of the courts of the State of Oregon and the venue of the Multnomah County Circuit Court.

25. Mediation.

Should any dispute arise between the parties concerning this agreement this is not resolved by mutual agreement, it is agreed that it will be submitted to mediated negotiation prior to any party commencing litigation. In such an event, the parties to this agreement agree to participate in good faith in a non-binding mediation process. The mediation shall take place in Portland, Oregon. The mediator shall be selected by mutual agreement of the parties, but in the absence of such agreement each party shall select a temporary mediator and those mediators shall jointly select the permanent mediator. The mediator's fees and costs shall be borne equally by the parties.

26. MERGER.

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION, OR CHANGE OF TERMS OF THIS AGREEMENT WILL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION, OR CHANGE, IF MADE, WILL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. RAMSAY HEREBY ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

EXECUTED in duplicate as follows:

RAMSAY:

CITY:

Date

Date

APPROVED AS TO FORM:

EXHIBIT E - ACCEPTANCE OF DONATION AGREEMENT

This Acceptance of Donation Agreement ("Agreement") is entered into between DARRYL PAULSEN ("Paulsen"), and the CITY OF PORTLAND ("City") (collectively referred to as the "Parties").

RECITALS

- D.** WHEREAS, the Parties have entered into a Donation Agreement, dated _____, 2010.
- E.** WHEREAS, in that Donation Agreement, Paulsen made representations and warranties which they are reaffirming in this Agreement.
- F.** WHEREAS, the Donation Agreement required certain conditions be satisfied prior to the City's acceptance of the Portland Sign.
- G.** WHEREAS, the Parties acknowledge that those conditions have been satisfied.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals and the terms and conditions in the Donation Agreement which are incorporated into this Agreement, Paulsen and City hereby agrees as follows:

- 1.** Except for the Rights retained by Paulsen specifically set forth in Section 7.3 of the Donation Agreement, Paulsen donates all of its right, title, and interest in and to the "Portland Oregon" Sign to the City.
- 2.** City accepts the Paulsen donation of the "Portland Oregon" Sign.

IN WITNESS WHEREOF, this Agreement is executed on the last date noted below.

DARRYL PAULSEN:

CITY:

Date

Date

APPROVED AS TO FORM:

INTERGOVERNMENTAL AGREEMENT
for the
Transfer of the MAX Commercial Improvements

This Intergovernmental Agreement (this "Agreement"), dated _____, 2010 (the "Effective Date"), is made and entered into by and between the City of Portland, through the Office of Management and Finance ("OMF"), and the City of Portland, through the Portland Development Commission ("PDC"). OMF and PDC may be referred to individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The City of Portland, through its Bureau of Transportation (PBOT), has possessory interest in the right-of-way located under the west side of the Burnside Bridge from SW/NW Naito Parkway to SW/NW Second Avenue.
- B. On December 13th, 2006, through PDC Resolution No. 6420, the PDC Board of Commissioners adopted the Ankeny Burnside Development Framework, which recommended public improvements beneath the Burnside Bridge between Naito Parkway and First Avenue, including the construction of a commercial space beneath the westernmost abutment of the Burnside Bridge (the "Improvements", as further described in Recital D below) upon the right-of-way between First and Second Avenue adjacent to the TriMet lightrail station. These Improvements were intended to increase the passive surveillance and public amenity beneath the Burnside Bridge, an area which has historically been a high crime zone in the downtown area.
- C. On or about June 25, 2008, PBOT issued to PDC that Revocable Permit To Use Dedicated Street Areas numbered TR-08-119 to allow the construction of the Improvements upon the right-of-way under the west side of the Burnside Bridge at 1 West Burnside at First Avenue. PBOT is the administrator of the redeveloped surface parking lot under the Burnside Bridge at Naito and First Avenue
- D. On or about February 10, 2010, PDC completed the Improvements that consist of an approximately 2,074 square feet retail shell known as "Retail Space Lease Tract", an adjoining room of approximately 51 square feet known as the "ATM Room Tract", and an enclosed exterior access area of approximately 1,055 square feet designated as "Multnomah County Bridge Access Tract" which has a rolling garage door and service area at the northern end. The Improvements are identified in Exhibit A attached and incorporated hereto. The Parties agree that PDC will transfer all rights and title to the Improvements to the City for administration by OMF contemporaneously with the City's

acquisition of the "Made in Oregon" Sign located on the rooftop of the White Stag Block building (located at 70 NW Couch Street, Portland, Oregon) and that PDC will further transfer to OMF the sum of \$20,000 towards future tenant improvements.

AGREEMENT

The Parties agree as follows:

1. **Transfer of the Improvements; Contingency**

- a) PDC shall transfer to OMF all of PDC's rights, title, and interest to the Improvements identified in the Recital. The Parties agree that the proposed transfer of Improvement ownership is contingent upon the City's acquisition of the "Made in Oregon" Sign located on the rooftop of 70 NW Couch Street, Portland, Oregon (building owned by White Stag Block LLC) from present Sign owner Ramsey Sign Inc. and the execution of rooftop lease and easement for the location of the Sign between the City and White Stag Block LLC or its related entity White Stag Block Master Subtenant LLC (individually or collectively "White Stag").
- b) During the period prior to the transfer of the ownership of the Improvements to the City, PDC authorizes the City to execute lease agreements, as though the City is the owner and landlord of the Improvements, with prospective tenant White Stag for the use of the Improvements. The City will include in its White Stag lease a provision for lease termination if the City fails to acquire ownership of the Sign.
- c) Along with the transfer of the Improvements to the City, PDC will arrange for the transfer all utility services to OMF, including, but not limited to, electric, water, gas, and fire sprinkler monitoring system, and shall provide all documentations related to these utility services. PDC shall satisfy all outstanding utility services accounts.
- d) PDC represents and warrants that (i) the Improvements are free and clear of all liens, security agreements, encumbrances, claims, demands and charges of every kind whatsoever; (ii) the PDC construction contract pertaining to the Improvements provides for construction warranty coverage until August 6, 2011; (iii) PDC has not made any claims for repairs, replacement or other warranty work under its construction contract and is not aware of any defects in

- construction of the Improvements at the time of transfer, and, (iii) PDC has closed out all permits for the construction of the Improvements.
- e) In the event construction defects are discovered during the warranty period, PDC shall promptly direct the appropriate warranty contractor(s) to remedy the defect, manage the construction warranty work, and coordinate with OMF to ensure that the work is performed timely and to the reasonable satisfaction of the City as successor owner.
 - f) OMF has received as-built drawings for the Improvements provided by PDC. Along with the transfer of the Improvements to the City, PDC shall provide a copy of its file to OMF pertaining to the Improvements and their construction, maintenance and operation, including but not limited to surveys, environmental assessments, construction contract(s) and all addenda or amendments, inspection report(s), security agreements, notices of lien and lien releases, permits, construction warranty, services and maintenance agreements, UCC filings, and any other documents pertaining to construction, ownership, maintenance and operation of the Improvements and associated electrical or mechanical systems.
 - g) PDC shall assume all costs and expenses associated with the necessary recording of ownership transfer documents with the County Recorder. Any recorded document(s) shall be subject to approval as to form by the City Attorney.

2. **PDC- Multnomah County Intergovernmental Agreement Pertaining County Bridge Access**

- a) This Agreement is subject to the restrictions and covenants imposed upon the Improvements by Multnomah County ("County") under the Intergovernmental Agreement between PDC and County entitled "Agreement Regarding Bridge Permit -Burnside Bridge West (MAX Retail Project)" (the "PDC-County IGA"), executed on or about April 14, 2009. A copy of the PDC-County IGA is attached and incorporated hereto as Exhibit B. Transfer of the Improvements to the City is subject to the covenant of Paragraph 3 of the PDC-County IGA, which shall be fully incorporated into this Agreement. The City shall be substituted as the referenced "Third Party" in the PDC-County IGA. Any conflicts in rights or responsibilities between the PDC-County IGA and this Agreement shall be construed in favor of the right of the County to carry out its tasks related to the Burnside Bridge. In the event that the County notifies PDC or the City of breach of the PDC-County IGA, the notice recipient shall immediately transmit the County's notice to the other Party.

- b) PDC may record in the official real estate records of Multnomah County a covenant, condition and restriction subjecting the Improvements to the requirements set forth in the PDC-County IGA.

3. Funding of Tenant Improvements

- a) PDC shall pay OMF a sum not to exceed TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00) to fund a portion of the tenant improvements. It is anticipated that OMF will enter into a commercial lease with White Stag Block Master Subtenant LLC contemporaneously with the City's acquisition of the Sign. PDC agrees to make payment of this tenant improvement funds directly to OMF's commercial lease tenant upon the tenant's request(s) for reimbursement.
- b) PDC funds shall only be used for Tax Increment Financing eligible purposes, such as the design, engineering, and construction of physical improvements.

4. General Provision

- a) Recitals. The Recitals stated above are incorporated into this Agreement.
- b) Governing Law; Venue; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit, or proceeding (collectively, "Claim") that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Multnomah County for the State of Oregon.
- c) Notices. Except as otherwise expressly provided in this Agreement, any communications between the parties pursuant hereto or notice to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid to the party to be noticed at the address or number set forth below, or to such other addresses or numbers as a party may hereafter indicate in a notice to the other party pursuant to this section. Any communication or notice so addressed and mailed shall be deemed to be given five days after mailing. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

If to the City:
Office of Management and Finance

If to PDC:
Portland Development Commission

1120 SW 5th Avenue, Room 1204
 Portland, Oregon 97204
 Fax: (503) 823-6924
 Attn: Property Management

222 NW Fifth Avenue
 Portland, Oregon 97209-3859
 Fax: (503) 823-3368
 Attn: Kevin Brake

With a copy to:
 City Attorney's Office
 1221 SW 4th Avenue, Room 430
 Portland, Oregon 97204

With a copy to:
 Portland Development Commission
 222 NW Fifth Avenue
 Portland, Oregon 97209-3859
 Attn: General Counsel

- d) Amendments. This Agreement or any provision hereof may not be waived, altered, modified, supplemented, or amended in any manner except by written instrument signed by the Parties.
- e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.
- f) Entire Agreement. This Agreement constitutes the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.
- g) Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on the Parties, notwithstanding that the Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
- h) Headings. The section headings in this Agreement are included for convenience only, do not give full notice of the terms of any portion of this Agreement, and are not relevant to the interpretation of any provision of this Agreement.
- i) Further Assurances. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence the transactions contemplated in this Agreement.
- j) Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

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/// [continue on next page]

In witness whereof, the City of Portland through its Office of Management and Finance and the City of Portland through the Portland Development Commission have executed this Agreement as of the Effective Date.

CITY OF PORTLAND

PORTLAND DEVELOPMENT COMMISSION

By: _____
Ken Rust, Chief Administrative Officer,
Office of Management and Finance

By: _____
Bruce A. Warner, Executive Director

APPROVED AS TO FORM

APPROVED AS TO FORM

City Attorney

Michael J. Grieser, Assistant General Counsel

Exhibit A
The Improvements

Exhibit B

Agreement Regarding Bridge Permit -Burnside Bridge West (MAX Retail Project)

(Attached)

EXHIBIT A
LEGAL DESCRIPTION
 MULTNOMAH COUNTY BRIDGE ACCESS TRACT
 PORTLAND DEVELOPMENT COMMISSION
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
 MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of Lot 8, Block 11 and Lot 1, Block 12 of Couch's Addition to the City of Portland, recorded in Book 1, Page 47, Multnomah County plat records, and also being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of said plat, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North 00°04'05" East, 150.55 feet to a point on the face of the abutment wall for the West end of the Burnside Bridge and the **POINT OF BEGINNING** of the herein described tract; thence leaving said right-of-way line and coincident with said abutment wall, South 89°34'33" East, 0.81 feet to the exterior building face on SW First Avenue as situated beneath the West end of the Burnside bridge; thence, coincident with said building face, North 00°01'11" East, 4.02 feet; thence leaving said exterior building face and coincident with interior walls of the building situated beneath the West end of the Burnside Bridge, the following five (5) courses and distances:

(1) South 87°43'20" West, 7.75 feet; thence (2) North 00°01'11" East, 9.25 feet; thence (3) South 88°42'30" West, 8.45 feet; thence (4) North 00°01'11" East, 85.18 feet; thence (5) South 88°42'51" East, 14.95 feet to the exterior face of said building; thence coincident with said exterior building face North 00°01'11" East, 15.75 feet to the face of the abutment wall for the West end of the Burnside bridge; thence coincident with said abutment wall the following three (3) courses and distances:

(1) North 88°58'26" West, 21.01 feet to the Northwest corner of said abutment wall; thence (2) South 00°02'04" East, 113.58 feet to the Southwest corner of said abutment wall; thence (3) South 89°34'33" East, 21.35 feet to the **POINT OF BEGINNING** of the herein described tract.

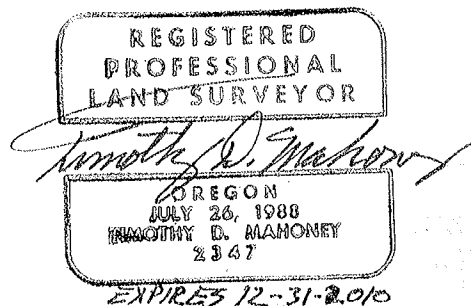
The North, West, and South boundaries of the above described tract are defined by the existing bridge abutment walls for the West end of the Burnside Bridge. These walls are not plumb or straight; therefore bearings and distances listed are calculated holding a best fit solution from field measurements in May, 2009.

The above described tract contains 1,055 square feet, more or less.

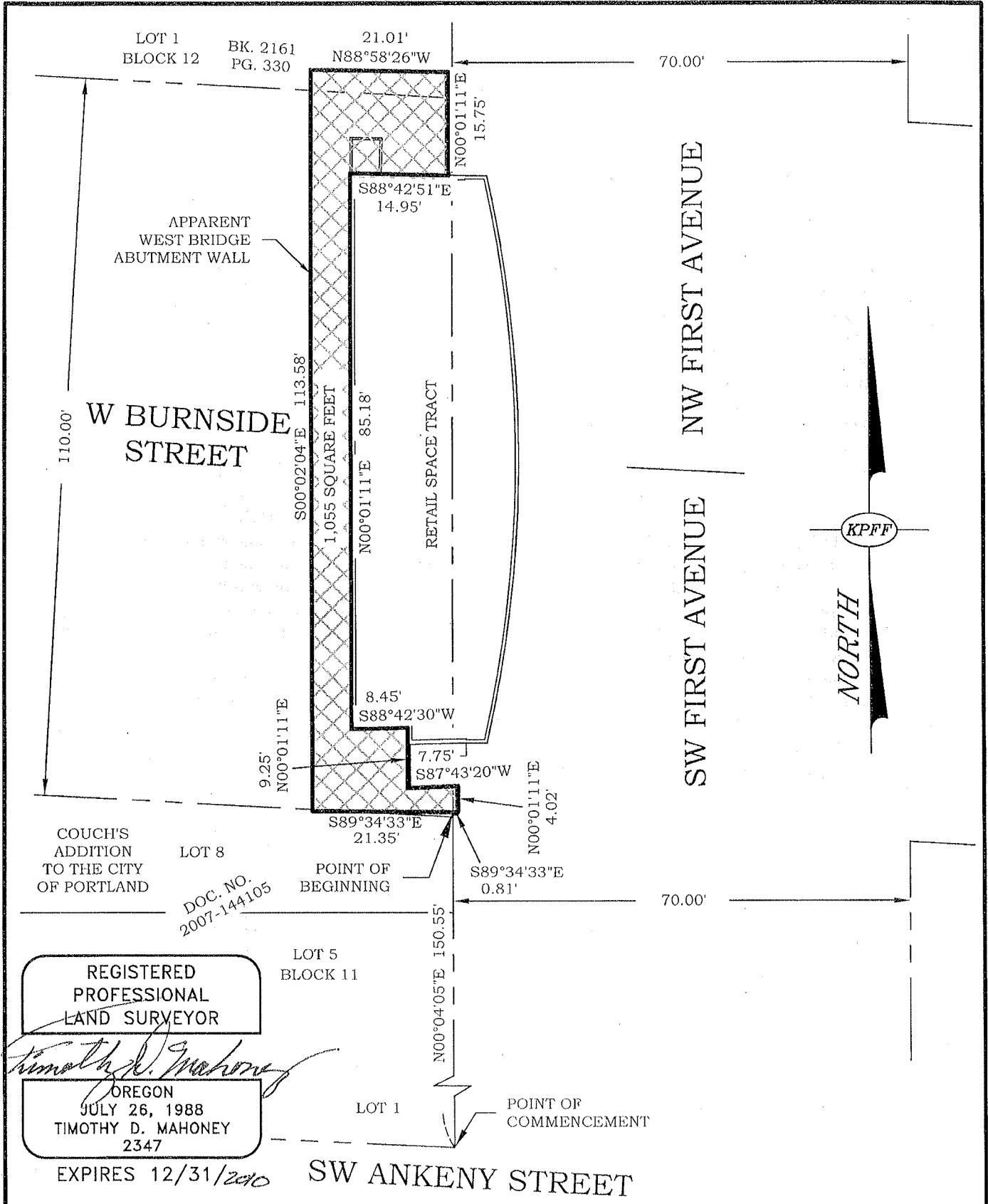
Tract is shown on the attached Exhibit B and by this reference is made a part hereof.

End of description.

Page 1 of 2



Page 7-A



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Timothy D. Mahoney

OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff
Consulting Engineers
111 S.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

EXHIBIT B
MULTNOMAH COUNTY BRIDGE ACCESS TRACT
SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2

EXHIBIT A
LEGAL DESCRIPTION
ATM ROOM TRACT
 PORTLAND DEVELOPMENT COMMISSION
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
 MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

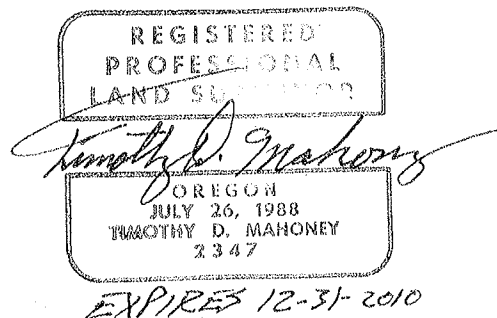
COMMENCING at the Southeast corner of Lot 1, Block 11, of the plat of Couch's Addition to the City of Portland, Recorded in Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; Thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North 00°04'05" East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine) in the building situated beneath the Burnside bridge on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract;

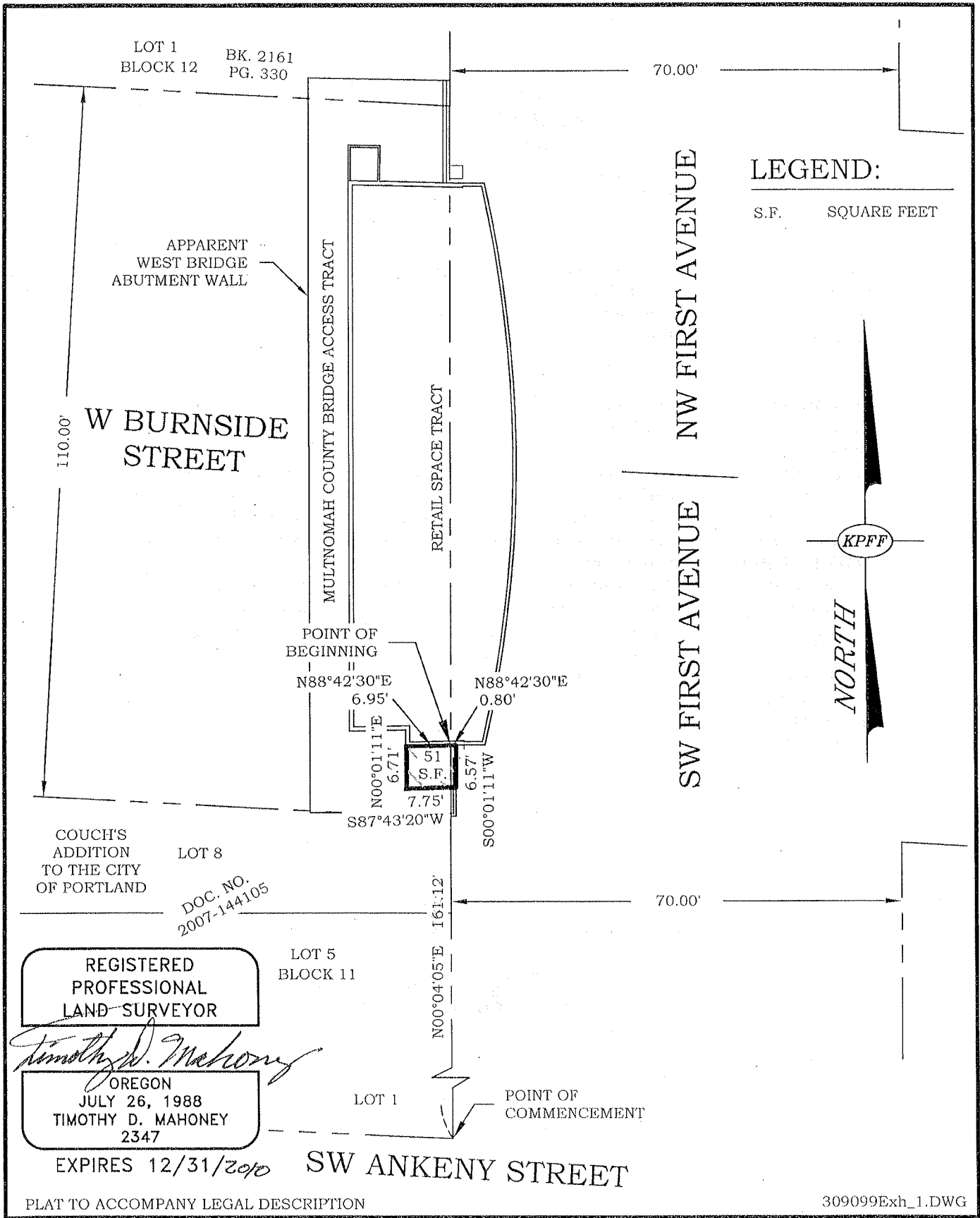
Thence North 88°42'30" East, 0.80 feet to a point on the exterior face of said building; thence coincident with said exterior face of said building South 00°01'11" West, 6.57 feet to a point on the projection of the exterior face of the South wall of said ATM room; thence coincident with said exterior wall face South 87°43'20" West, 7.75 feet to the Southwest exterior corner of said ATM room; thence coincident with the exterior face of the West wall of said ATM room North 00°01'11" East, 6.71 feet to a point on the projection of said interior face of the North wall of said ATM room; thence coincident with said face North 88°42'30" East, 6.95 feet to the **POINT OF BEGINNING**.

The above described tract contains 51 square feet, more or less.

Tract is shown on the attached Exhibit B and by this reference is made a part hereof.

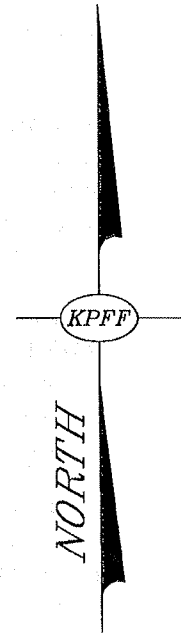
End of description.





LEGEND:

S.F. SQUARE FEET



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Timothy D. Mahoney

OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

SW ANKENY STREET

PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff
Consulting Engineers
111 S.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

EXHIBIT B
ATM ROOM TRACT

SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2

EXHIBIT A
LEGAL DESCRIPTION
 RETAIL SPACE LEASE TRACT
 PORTLAND DEVELOPMENT COMMISSION
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
 MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street, SW First Avenue, and NW First Avenue, as situated beneath the Burnside Bridge and defined by the exterior dimensions of a room designed for retail space, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of the plat of Couch's Addition to the City of Portland, Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine), said face also being the exterior face of the South wall of the herein described Retail Space Tract in the building situated beneath the Burnside bridge, on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract; thence, leaving said West right-of-way line and coincident with said exterior wall face, North $88^{\circ}42'13''$ East, 2.10 feet to the exterior face of the end of a concrete curb; thence coincident with the exterior face of said curb the following three (3) courses and distances:

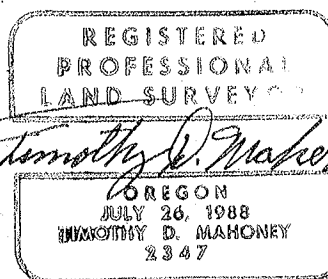
(1) South $89^{\circ}58'49''$ East, 3.19 feet to a point on a 196.00 foot radius non-tangent curve left, the radius point of which bears North $77^{\circ}04'27''$ West; thence (2) Coincident with said curve left, through a central angle of $25^{\circ}37'35''$, an arc distance of 87.66 feet (the long chord of which bears North $00^{\circ}06'46''$ East, 86.94 feet); thence (3) North $89^{\circ}58'49''$ West, 3.33 feet to a point on the North exterior wall face of the herein described Retail Space Tract; thence coincident with exterior walls of said Retail Space Tract the following four (4) courses and distances:

(1) North $88^{\circ}42'51''$ West, 17.50 feet; thence
 (2) South $00^{\circ}01'11''$ West, 85.18 feet; thence
 (3) North $88^{\circ}42'30''$ East, 8.45 feet; thence
 (4) South $00^{\circ}01'11''$ West, 2.54 feet to a point on the projected interior face of said North wall of said ATM room; thence coincident with said interior wall face, North $88^{\circ}42'30''$ East, 6.95 feet to the **POINT OF BEGINNING**.

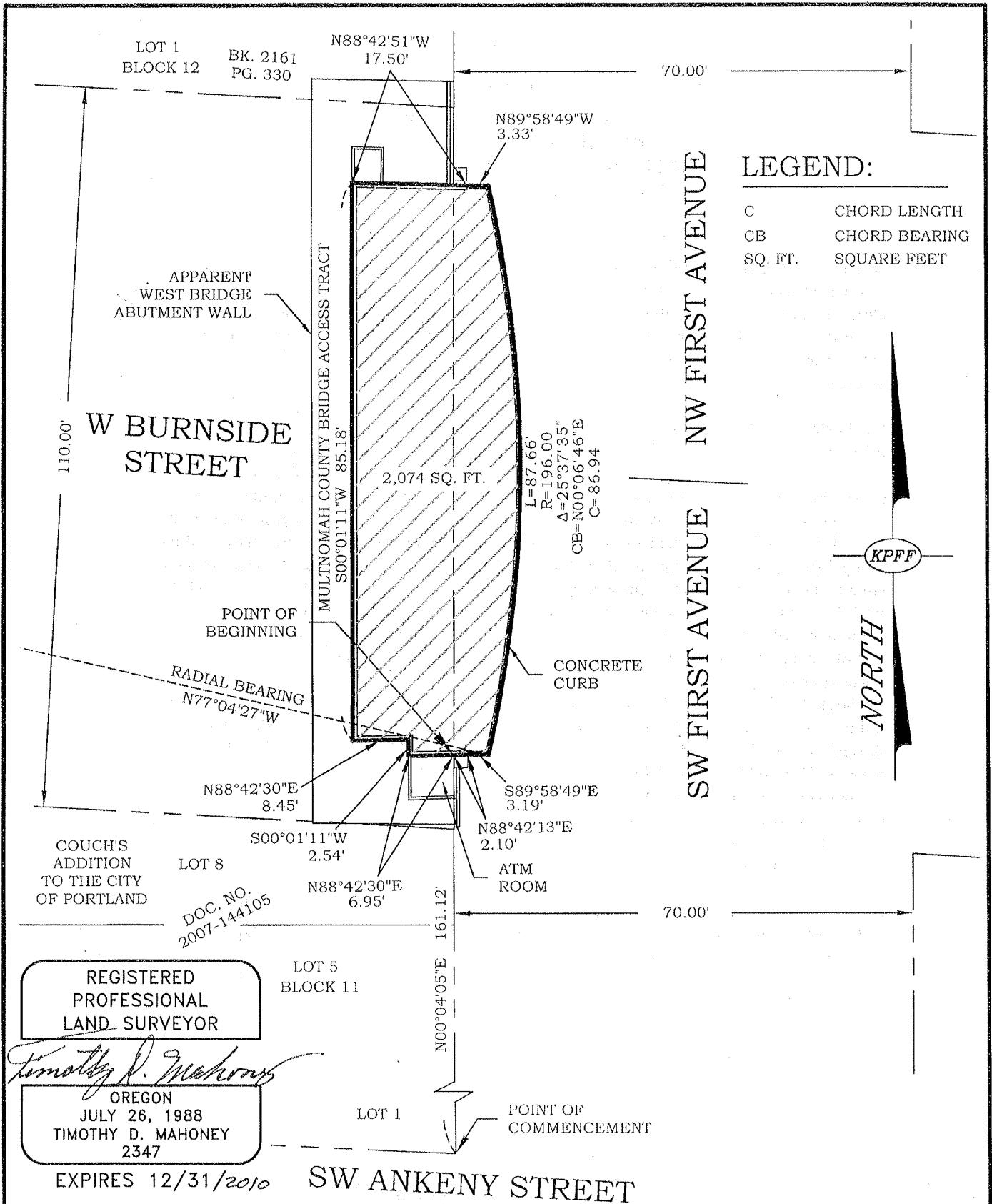
The above described tract contains 2,074 square feet, more or less.

Tract is shown on the attached Exhibit B and by this reference is made a part hereof.

End of description.



EXPIRES 12-31-2010



LEGEND:

- C CHORD LENGTH
- CB CHORD BEARING
- SQ. FT. SQUARE FEET

NORTH



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Timothy D. Mahoney
OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

SW ANKENY STREET

PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff
Consulting Engineers
111 S.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

EXHIBIT B
RETAIL SPACE TRACT
SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
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**AGREEMENT REGARDING BRIDGE PERMIT
Burnside Bridge West (MAX Retail Project)**

This is an Agreement ("Agreement") between the City of Portland, acting by and through the Portland Development Commission ("PDC") and Multnomah County ("County"), pursuant to authority granted in ORS Chapter 190.

RECITALS

- a. The area identified in Exhibits 1 and 2 is City of Portland right of way.
- b. The County is required under ORS 382.305 and 382.310 to operate, maintain, repair, and if necessary, to reconstruct the Burnside Bridge and its approaches, part of which is located in the area identified in Exhibits 1 and 2.
- c. PDC desires to construct improvements in the area identified on Exhibits 1 and 2 as Retail Space (the "Retail Space").
- d. In order to complete the construction of the Retail Space, PDC must obtain a permit issued by the County (the "Bridge Permit").
- e. The County has required, as a condition of issuing the Bridge Permit, that the parties set forth in this Agreement clarification of certain rights and responsibilities of the parties.

AGREEMENT

In consideration for the County issuing the Bridge Permit, the parties agree as follows:

1. The County shall at all times, including during construction of the Retail Space improvements, have the right to enter the area shown in blue on Exhibits 1 and 2 ("Bridge Maintenance Access Area") for the purpose of inspecting, maintaining, repairing and reconstructing the Burnside Bridge as County in its sole discretion shall deem necessary and appropriate. Access shall be through the access doors labeled on Exhibit 1 as "Bridge Maintenance Access." County shall also have access over the Retail Space through removable panels over the Retail Space in the area shown in yellow on Exhibit 2. County shall also have the right upon 48 hours notice to PDC to inspect the bridge columns located inside the Retail space. PDC shall not cover or otherwise obstruct the bridge columns, except for painting.
2. If the County determines that there exists an emergency requiring immediate access to the Retail Space or the Bridge Maintenance Access Area for repair or reconstruction work on the Burnside Bridge, then Multnomah County shall have the right to enter such areas, without notice, at any time to perform such work. County shall perform all work in a good and workmanlike manner. County shall have no obligation to restore or repair any improvements removed or damaged in the performance of the County's work. In the performance of the County's work, County shall use such care to protect the property of PDC and PDC's contractors, agents, employees and tenants as is reasonable under the circumstances. Except in the event of an emergency, the County shall, to the extent permitted under the

circumstances, consult with PDC or its successors to i) determine the least intrusive manner for the County to perform its work, and ii) coordinate efforts during bridge work to provide PDC or its successors with reasonable opportunity to employ protective measures in connection with the Retail Space.

3. PDC shall include the following language in all agreements, to which it is a party, which will result in for use or occupancy of the Retail Space whether by sale, donation, lease, sublease or other agreement. If PDC shall fail to insert such language in any such agreement, PDC shall, to the extent permissible under the Oregon Constitution and subject to the limitations of the Oregon Tort Claims Act, hold harmless, indemnify and defend the County, its officers, employees and agents from and against all claims, demands, penalties, and causes of action of any kind or character (including the cost of defense thereof, including attorney fees) relating to or arising from any claim by any tenant or other user or occupant the Retail Space against the County if the claim, demand, penalty or cause of action claim would have been waived if such clause had been included in the agreement:

“[Third Party]’s rights in the premises are subject to the rights of Multnomah County to enter the premises to inspect maintain, repair or reconstruct the Burnside Bridge. Multnomah County shall have the right upon 48 hours notice to [Third Party] to inspect the bridge columns located inside the premises. [Third Party] shall not cover or otherwise obstruct the bridge columns, except for painting. If Multnomah County determines that there exists an emergency requiring immediate access to the premises for repair or reconstruction work on the Burnside Bridge then Multnomah County shall have the right to enter the premises, without notice, at any time to perform such work. [Third Party] shall provide the County Bridge Shop (503) 988-3757 Ext. 221 with a name and phone number of a representative who can be reached at any time in the event of an emergency requiring access to the premises. Multnomah County shall endeavor to provide [Third Party]’s representative with as much advanced notice as is possible under the circumstances before entering the premises. If Multnomah County determines that non-emergency maintenance, repair, reconstruction work or work to upgrade the Burnside Bridge requires [Third Party] to vacate the premises, then upon 20 days written notice to [Third Party] from Multnomah County, [Third Party] shall vacate and remove all of [Third Party]’s personal property, fixtures and other improvements from the premises for such period as is reasonably necessary for County to complete the required work. County shall have the right to remove such part of the premises, including [Third Party]’s improvements and personal property as may be reasonably necessary to accomplish the required work. Multnomah County shall have no obligation to restore or repair any improvements removed or damaged in the performance of the County’s work. [Third Party] waives any claim it may have against Multnomah County arising out of Multnomah County’s entry on the premises for purposes described above including any claim for restoration of the premises or [Third Party]’s improvements or, for loss of [Third Party]’s real or personal

property so long as Multnomah County shall have performed its work in a good and workmanlike manner and exercises such care to protect the premises improvements and the property of the [Third Party] as is reasonable under the circumstances. [Third Party] further waives any claim against Multnomah County for disruption of [Third Party]'s business, and for [Third Party]'s lost profits or for any other loss incurred by [Third Party] as a result of such entry or as a result of [Third Party] being required to vacate the premises pursuant to the terms of this paragraph. Multnomah County is a third party beneficiary of the provisions of this paragraph and shall have the right to enforce the provisions of this paragraph against [Third Party] in any claim by [Third Party] against Multnomah County. If [Third Party] shall enter into an agreement to sell, donate, lease or sublease the premises, Third Party shall include in the agreement the language set forth in this paragraph.

4. PDC shall use its best efforts to record in the official real estate records of Multnomah County a covenant, condition and restriction subjecting the Retail Space to requirements and conditions substantially similar to those set forth in paragraphs 1 and 2 above.
5. **TERM.** The term of this Agreement shall be perpetual unless mutually terminated by the parties.
6. **NOTICES AND COMMUNICATIONS.** Communications between the parties regarding this Agreement shall be directed to the party's respective contact person as indicated below:

To the county:

Attn: County Bridge Shop Manager
 1402 SE Water Avenue
 Portland, Oregon 97214
 Phone: (503) 988 3757(x 223)
 Fax: (503) 988-3812

Multnomah County Attorney
 501 SE Hawthorne, Suite 500
 Portland, Oregon 97204
 Phone: (503) 988-3138
 Fax: (503) 988-3377

To PDC:

Attn: Kevin Brake
 Portland Development Commission
 222 NW 5th Ave
 Portland, Oregon 97209
 Phone: (503) 823-3200
 Fax: (503) 823-3368

E-mail: brakek@pdc.us

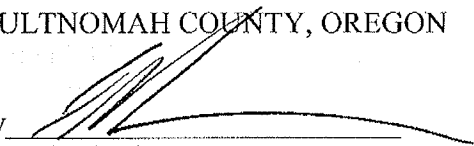
With a copy to:

Office of General Counsel
Portland Development Commission
222 NW 5th Ave
Portland, Oregon 97209
Phone: (503) 823-3200
Fax: (503) 823-3368

Official communications regarding this Agreement shall be by e-mail or in writing to the above-named persons or their designees.

MULTNOMAH COUNTY, OREGON

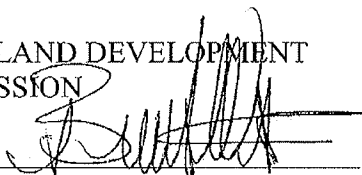
By



Ted Wheeler
Chair

PORTLAND DEVELOPMENT
COMMISSION

By

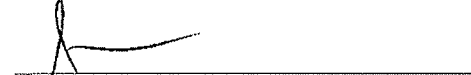


Bruce A. Warner
Executive Director

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

By:

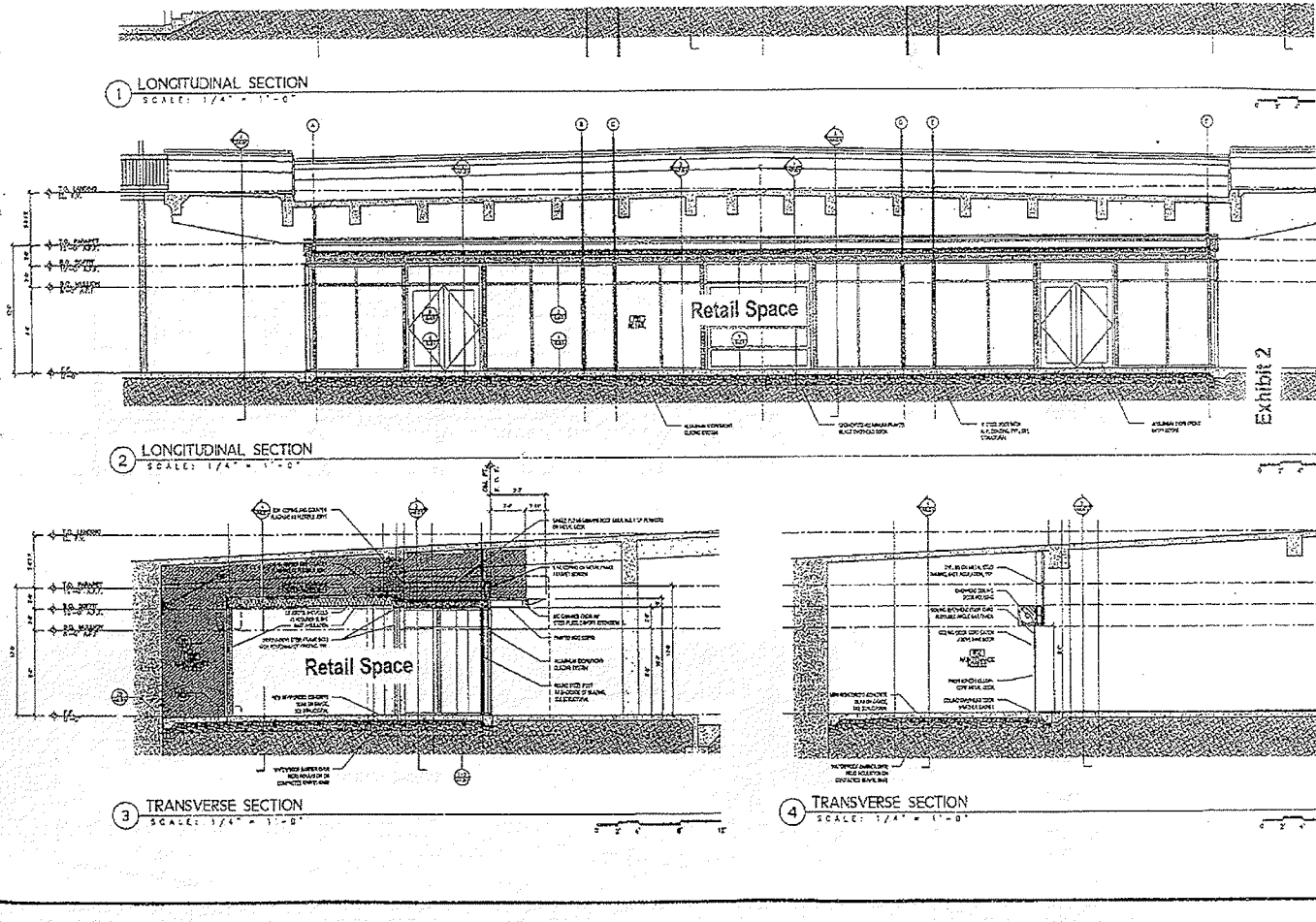


John S. Thomas
Deputy County Attorney

Approved as to form:



Michael J. Grieser
Assistant General Counsel



CITY OF PORTLAND
And
WHITE STAG BLOCK MASTER SUBTENANT, LLC
Commercial Lease

This Commercial Lease is entered into on the _____ day of _____, 2010, by and between the CITY OF PORTLAND, by and through its Office of Management and Finance (OMF) – Facilities Services, as “Landlord”, and WHITE STAG BLOCK MASTER SUBTENANT, LLC, an Oregon limited liability company, as “Tenant”.

RECITALS

A. Darryl Paulsen (DP) is the owner of the approximately 48 feet tall 46 feet wide neon and bulb lit “Made in Oregon” sign, formerly known as the “White Stag” sign (the “Sign”) currently located on the rooftop of 70 NW Couch Street, Portland, Oregon 97209. DP desires to donate the Sign to the City of Portland (“City”). The City desires to own the Sign subject to acceptable donation conditions. DP currently has a rooftop lease agreement dated June 14, 2006, for the placement of the Sign with White Stag Block, LLC (WSBL), which will be terminated simultaneously with the donation of the Sign to the City.

B. WSBL is the owner of the property at 70 NW Couch Street where the Sign is located (“the White Stag Block”). Tenant is the master tenant of the White Stag Block and adjacent connected buildings. WSBL and Tenant are represented by Art DeMuro, the president of WSBL’s manager, Venerable Group, Inc. (VG). Upon the City’s acquisition of the Sign, Tenant will lease a portion of the rooftop of the White Stag Block to the City, and WSBL will grant a rooftop easement to the City for the Sign.

C. The City has possessory interest in the right-of-way that is located under the westside of the Burnside Bridge from SW/NW Naito Parkway to SW/NW Second Avenue. The City’s Bureau of Transportation (PBOT) is the administrator of the public right-of-way from SW/NW Naito Parkway to SW/NW 2nd Avenue and the administrator of the surface parking lot located on the right-of-way between Naito and 1st Avenue under the Burnside Bridge. The City by and through the Portland Development Commission (PDC) constructed a retail building on the right-of-way between 1st and 2nd Avenue under the Burnside Bridge. PDC has or will transfer the improvement to Landlord. The City and Tenant desire to execute this lease for Tenant to use the retail improvement and the surface parking lot subject to successful consummation of the related donation agreement between the City and RSI.

AGREEMENT

In consideration of the mutual covenants and upon the terms and condition set forth in this Commercial Lease, the City as Landlord leases to Tenant the described premises. Tenant has a temporary revocable permit for use of the surface parking lot from PBOT. Tenant acknowledges Landlord’s interest and right to lease the premises to Tenant.

1. Premises

The leased premises ("Premises") is located upon the right-of-way under the westside of the Burnside Bridge and consists of a retail building located between 1st and 2nd Avenue ("Retail Parcel") and a surface parking lot located between Naito Parkway and 1st Avenue ("Parking Parcel"). The Retail Parcel comprised of approximately 2,074 square feet designated as "Retail Space Lease Tract" plus an enclosed exterior access area of approximately 1,055 square feet designated as "Multnomah County Bridge Access Tract". The Retail Parcel excludes that portion of the improvement, approximately 51 square feet, known as the "ATM Room Tract". The Parking Parcel is approximately 68'x190' and has approximately 27 parking stalls. The Premises are identified in Exhibit A - Location of the Premises, attached and incorporated hereto.

2. Term

This Lease shall commence on _____, 2010, ("Commencement Date") and terminate on _____, 2030, ("Expiration Date"), for a term of twenty (20) years, unless sooner terminated under the provisions of this Lease. Tenant understands that this Lease is subject to the right of termination of local governments as set forth in Section 36. The Parties further agree that this Lease is conditioned upon the transfer of ownership of the improvement from PDC to the City, successful consummation of the proposed donation of the Sign from DP to the City, and concurrent execution of the Rooftop Commercial Lease between Tenant as landlord and the City as tenant and execution of a Rooftop Easement by WSBL to the City.

3. Option to Renew

Tenant is given two (2) option(s) to renew this Lease ("Renewal Option"), with each Renewal Option to be for a period of twenty (20) years ("Renewal Term"). Each Renewal Term shall be on the same terms and conditions set forth in the Lease, except for the number of Renewal Option and the amount of Base Rent. Each Renewal Term shall commence on the first day after expiration of the initial term or the current Renewal Term. The amount of Base Rent for each Renewal Term shall be the rates outlined in Section 4 Base Rent. If Tenant elects to exercise a Renewal Option, Tenant shall give Landlord written notice of such election not later than one hundred eighty (180) days prior to the expiration of the current term. Tenant's right to exercise the Renewal Option is revoked and any Renewal Option is void if: a) Tenant is in default when it gives written notice of exercise of Renewal Option; b) notice of termination has been given under Section 36; or c) Tenant fails to give timely written notice as required under this Section.

4. Base Rent

a) Tenant shall pay Base Rent as follows:

Years 1 through 10	\$34,150.00 per year
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(= \$2,845.83 per month and \$2,845.87 on the 12th month of each year)

Years 11 through 20 \$42,654.00 per year (\$3,554.50 per month)

If first Option to Renew is timely and properly exercised

Years 21 through 30 \$52,251.00 per year (\$4,354.25 per month)

Years 31 through 40 \$64,007.00 per year

(= \$5,333.91 per month and \$5,333.99 on the 12th month of each year)

If second Option to Renew is timely and properly exercised

Years 41 through 50 \$78,409.00 per year

(= \$6,534.08 per month and \$6534.12 on the 12th month of each year)

Years 51 through 60 \$96,051.00 per year (\$8,004.25 per month)

Unless otherwise noted, the obligation to pay Base Rent and other monies shall commence on the Commencement Date. Tenant will get a Base Rent credit of \$7,500, which it had paid towards Sign permit review fee.

- b) Base Rent shall be paid in advance of the first day of each calendar month throughout the term of this Lease. If a partial month exists at the commencement of the term of this Lease, Tenant shall pay upon the execution of this Lease one full month's Base Rent plus the prorated amount for the partial month. All other fees, charges, taxes, or monies required to be paid to Landlord arising from the Lease (collectively "Additional Rent") shall be payable as they become due, or as demanded by Landlord or as otherwise required by the Lease. Base Rent and Additional Rent may be referenced hereinafter collectively as "Rent", unless specificity is required. No billing statement or notice of late payment shall be provided by or required from Landlord. Additional Rent shall be prorated by Landlord and Tenant as of the Commencement Date and the expiration or earlier termination of this Lease.
- c) Rent shall be paid in lawful money of the United States of America, without deduction or offset, prior notice or demand except as provided herein, and made payable to the "City of Portland" and delivered to: the Office of Management & Finance – Facilities Services, 1120 SW Fifth Avenue, Room 1204, Portland, Oregon 97204-1985, or such other place Landlord may designate from time to time. Payment by Tenant or receipt by Landlord of a lesser amount than Rent due shall be deemed payment on the account. No endorsement or statement on any check or payment shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent due, or pursue any other remedies available to Landlord. Payments received shall be credited to the oldest outstanding amount due.

- d) All Rent not paid by Tenant within fifteen (15) days of the date due or demanded shall bear interest at the rate of one percent (1%) per month. The interest rate on overdue accounts is subject to periodic adjustment in writing to reflect the City's then current interest rate charged on overdue accounts pursuant to City Code 5.48.040.
- e) In the event that any check, draft or other instrument of payment given by Tenant is dishonored for any reason, Tenant agrees to pay Landlord the sum of \$500, in addition to any late fee, and Landlord may, at its option, require Tenant to paid all future Rent by cashier's or certified checks, or other methods.
- f) In consideration of the benefits to Tenant and as a material part of the consideration to Landlord, Tenant agrees to assume all financial expenses associated with the Premises including but not limited to property taxes and assessments, management expenses, maintenance, repair, operations of the Premises as though Tenant was the property owner.
- g) It is the intention and purpose of the parties that this Lease be a "net lease" for the City, with all costs and expenses of whatever character, or kind or nature, whether general or special, ordinary or extraordinary, or foreseen or unforeseen, and whatsoever that may be necessary in or about the operation, maintenance and repair of the Premises and Tenant's authorized use during the entire Term, or its extension(s), shall be paid by Tenant, including but not limited to taxes, utilities, insurance, and property assessments. All provisions of this Lease related to expenses are to be construed in light of this intention and purpose.

5. Taxes, Fees and Assessments

Tenant shall be responsible for and pay before delinquent all taxes or fees assessed during the term of this Lease against any leasehold or personal property of any kind owned by or placed upon or about the Premises by Tenant, including any real property taxes assessed and levied on the Premises by Multnomah County ("County") and/or any other taxing authority. As used herein, the term "real property taxes" do not include business license fees, excise taxes, sales taxes, corporation taxes, income taxes, or any tax on personal property which may be imposed or assessed by any city, county, state, or federal government or any special district or agency, and those other taxes remain the responsibility of Tenant. Tenant shall be responsible for resolving any disputes related to taxes and fees with the appropriate taxing authority. Tenant shall also be liable to fully pay any local improvement district assessments or system development charges that may be assessed to the property upon which the Premises are located. Tenant shall, at the end of each calendar year or as requested by Landlord, provide proof of timely payment of all taxes, fees and assessments paid.

6. Utilities

- a) Landlord has no responsibility to provide or pay for any utilities to the Premises. Tenant is responsible for arranging for utility services it may require at the Premises

and shall promptly pay all charges when due to the utility service providers. If Tenant desires to install a submeter or other means of measuring utility usage, Tenant may do so at its sole expense after giving Landlord notice of installation. Any installation shall comply with requirement of this Lease. Landlord acknowledges that there will be no storm water charges attributable to the Parking Parcel and that storm water charges are a portion of the water bills to be rendered in connection with the Retail Parcel.

- b) Tenant shall provide and pay for janitorial and cleaning services such as litter patrol, power washing building façade and windows, and parking lot surface cleaning. Tenant shall arrange for solid waste, compostable and recycling material removal from a permitted commercial collector and timely pay all charges.
- c) Tenant shall not overload the electrical circuits from which Tenant obtains current. In the event of overload, Tenant shall promptly notify Landlord. If damages result from overload, Tenant shall promptly notify Landlord and shall be liable for associated repairs and expenses.
- d) Tenant shall arrange and pay for telecommunication services to the Premises, including but not limited to telephone, cable television, internet or wireless networking technology (such as Wi-Fi). Installation of any wiring, fibers or cables for telecommunications services shall comply with the requirement of this Lease. Tenant may locate telecommunications equipment at the Premises for its routine business needs; however, such installation shall not interfere or obstruct the rights of access of the County. In the event that Tenant's telecommunication equipment poses transmission or reception interference to the City's telecommunication system or equipment serving governmental, emergency or public safety needs, Tenant agrees to work with the City to reduce its interference to a level that is acceptable to City's Bureau of Technology Services (BTS).
- e) Pursuant to the City's Sustainability Principles ENN 3.01 (copy available at <http://www.portlandonline.com/Auditor/index.cfm?print=1&c=29141&a=24446>), the City as a government and a landlord has interest in promoting a sustainable future. Tenant agrees to consult with the City's Bureau of Planning and Sustainability (1900 SW 4th Avenue, 7th Floor, Portland, Oregon 97201, 503-823-7700 or 721 NW 9th Avenue, 3rd Floor, Portland, Oregon 97209, 503-823-7222) for programs, incentives and best practices regarding sustainability issues (e.g., the Green Building Program). Tenant agrees to contact the BEST Business Center (503-823-3919 or www.bestbusinesscenter.org) for evaluation and assistance on policies, programs, measures and practices that Tenant can adopt for the good stewardship of the environment, conservation, recycling or preservation of energy and natural resources, and to review and update the policies, programs, measures and practices periodically (e.g., at least once every five or ten years).
- f) City has in place existing overhead street lighting under the Burnside Bridge above the sidewalk/TRIMET tracks in front of the Retail Parcel and above the Parking

Parcel. PBOT will maintain the overhead lighting and pay for its utility costs. Tenant shall be responsible for any additional lighting, including associated electricity needed, that Tenant may desire or require for the Premises. Tenant shall inform Landlord in the event that Tenant observes damages to or the need for replacement or repair to any overhead lighting under the Burnside Bridge.

- g) If the City provides any utilities to the Premises either directly or as the utility service provider, Tenant agrees that the City of Portland shall not be liable for damages, by rent abatement or otherwise, for failure to furnish or delay in furnishing any utilities services, or for any diminution in the quality or quantity of any utility services, when the failure or delay or diminution is due to, in whole or in part: i) repairs, replacements or improvements; ii) strike, lockout or other labor disputes; iii) unavailability of utility from utility company or provider; iv) act or default of Tenant or other persons; or, v) any cause beyond the City's control. The failure to, delay in or interruption of the furnishing of utility services for the reasons set forth above shall not constitute termination or eviction of Tenant.

7. Security Deposit

No security deposit is required pursuant to this Lease.

8. Late Fee

In addition to other remedies, if any Rent is not received by Landlord within ten (10) days after it is due or demanded, Landlord may impose a late fee equal to ten percent (10%) of the amount of the delinquent Rent due or a minimum of \$250.00, whichever is greater. Tenant shall pay any late fee immediately upon request by Landlord. The imposition by Landlord and/or the payment by Tenant of any late fee shall not waive or cure Tenant's default. Failure to impose a late fee on one occasion does not effect a waiver of Landlord's right to impose a late fee on subsequent delinquencies.

9. Uses of Premises

- a) The Premises shall be used and occupied by Tenant, in accordance with the provisions of this Lease.
- 1) The Retail Parcel shall be used during the entire term of this Lease for any active use allowed by applicable law except for those uses set forth on Exhibit C attached hereto and incorporated herein.
 - 2) The Parking Parcel shall be used during the entire term of this Lease, for the following exclusive purpose(s) and no other(s): parking of validly licensed and operable passenger vehicles; no automotive repair, maintenance, or carwash permitted; no motorhomes, trucks, trailers or other similar vehicles permitted; no retail kiosks and/or food stalls shall be permitted.

- 3) No other use may be made of the Premises without the prior written consent of Landlord.
 - 4) At Tenant's own expense, Tenant shall comply with all orders, notices, regulations or requirements of any governmental authority respecting the use of the Premises.
- b) Tenant agrees that the Retail Parcel shall be treated as a "no smoking" building, pursuant to ORS 433.835 et. seq., and/or Portland City Code 8.65.010 et seq. Tenant shall not permit smoking of cigars, cigarettes, pipes, or other smoking instruments on the interior portions of the Retail Parcel. The parties acknowledge that public employees, including those of the City of Portland and County, may be required to work at the Retail Parcel as their workplace (i.e., bridge monitoring, building inspection), no smoking shall be permitted within fifty (50) feet from the exterior of the building on the Retail Parcel, with the exterior no-smoking zone measured from the building footprint including any exterior structural elements such as portico and loggia. The exterior no-smoking zone shall not extend into any property adjacent to the building or onto the roadway, but does include driveways, planting strips, sidewalks and pedestrian ways within 50 feet of the building. Tenant shall ensure that its agents, invitees and permittees comply with provision of the State's and City's smoking prohibition as these may be amended from time to time by the governmental authorities. Tenant shall cooperate with TRIMET regarding its nonsmoking regulations pertaining to lightrail passenger stops.
 - c) Tenant shall take reasonable action to ensure that sidewalks, entrances, passages, stairways, corridors/halls are not obstructed or encumbered by Tenant or their invitees and not used for any other purpose other than ingress and egress to and from the Premises.
 - d) No weapons are permitted in the Multnomah County Access Tract (MCAT). In order to promote premises safety, Tenant shall incorporate a 'no weapon and violence free' policy for the Premises.
 - e) Tenant shall take extra care in delivery and move in/move out of heavy or bulky or oversized equipment, furniture, inventory, supplies, or other property to avoid damage to the Retail Parcel (such as damaging or leaving marks on walls or thresholds, or damaging concrete bridge supports or abutment). Hand trucks, dollies, carts or baskets shall be equipped with rubber tires and adequate side guards and padding.
 - f) Restrooms, drinking fountains, water/wash closets or other plumbing fixtures shall not be used for any other purposes other than for which constructed. No coffee grounds, miscellaneous sweepings, rubbish, paper towels, rags or other substances or materials shall be thrown or flushed into any plumbing fixture. Tenant shall dispose of wastewater from the Premises in the appropriate drains in or on the Premises and not onto the street or lightrail tracks.

- g) Tenant shall take reasonable action to refrain from canvassing, soliciting, peddling and distribution of handbills or dissemination of any other materials in which the public or any person may or could associate Landlord with the viewpoints expressed. Landlord reserves the right to request that Tenant include language in its disseminated materials to indicate that the City, including city employee or agents, does not endorse or support the viewpoints expressed.
- h) Tenant shall report any break-ins, suspicious activities or visible damage to the Premises to Landlord and/or police. Tenant shall cooperate with law enforcement in the prosecution of criminals.
- i) No pets or animals shall be permitted into the Retail Parcel, except for service animals while performing their qualified services or service animals in training. No animal shall be off a tether, allowed to roam freely, or left unaccompanied on the Retail Parcel. Tenant shall obtain Landlord's permission before installing any aquarium, or water fountain or related displays.
- j) Tenant shall notify Landlord if Premises becomes infested with insects or vermin and shall, at Tenant's expense, arrange for an approved extermination service or perform such extermination service directly.
- k) Tenant shall take precaution and due care around any construction areas in or around the Premises that may be required to be performed by Landlord, County or any other authorized third parties. Tenant shall comply with all construction barriers and signage. Tenant shall not walk through or interfere with construction areas, or impede or interfere with the work of construction personnel.
- l) After notifying Landlord and/or law enforcement and documenting the damages for the law enforcement, Tenant shall promptly at its expense, remove all graffiti or other defacement or vandalism.
- m) In addition to any other prohibitions or limitations on Tenant's use of the Premises contained in the Lease, Tenant shall not: i) use or permit the Premises to be used in any illegal manner; ii) create or permit to be created any damage, nuisance or waste to the Premises, including any objectionable noise, vibration or odor to be emitted or escape from the Premises, or cause defacement or injury of the building on the Retail Parcel, including impairment of its strength or durability; iii) disturb, interfere or obstruct the rights of Landlord or other authorized users; iv) cause damage or injury to nearby properties or property owners; v) create or permit to be created any condition which would constitute a fire or environmental hazard, or be dangerous to persons or property; vi) injure the reputation of the Premises or the City; vii) permit the Premises to be used for lodging or sleeping purposes; viii) sell or permit to be sold any alcoholic beverages or alcoholic liquors on the Premises excepting upon Landlord's prior written consent and pursuant to the limitations of state issued permit(s) or license(s); ix) sell or permit to be sold any controlled substances on or about the Premises; x) store gasoline or other highly combustible or explosive

- materials on the Premises; xi) permit the sale of any pornographic material on the Premises; xii) permit any novelty or gaming machines or equipment on the Premises without the prior written consent of Landlord; xiii) permit any gambling or social gaming; or, xiv) permit the use of the Premises for a second-hand store, pawnshop, or for conducting auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like.
- n) Tenant shall enter into and maintain during the term of this Lease "Good Neighbor Agreement(s)" with the applicable local neighborhood and/or business association(s) to address crime and community livability issues. At minimum, Tenant's Good Neighbor Agreement shall address the following areas: crime prevention and awareness including but not limited to security measures and patrols at or around the Premises; alcohol awareness and employee training including but not limited to participating in the Oregon Liquor Control Commission's Responsible Vendor Program, and training for employees in liquor law, age identification and recognition of the signs of intoxication, if consent has been given for Tenant to serve alcohol on the Premises; litter, graffiti, loitering and noise control and prevention in and around Premises; and participation in community problem solving as requested by the City or local neighborhood and/or business association(s); and participation in the Neighborhood Mediation Program. Tenant shall provide Landlord copies of Tenant's executed Good Neighbor Agreements and shall be required to comply with applicable Good Neighbor Agreements.

10. Styrofoam

Use of the Premises shall comply with the polystyrene requirements under Portland City Code 17.102.300 through 17.102.330, and as amended.

11. Hazardous Substances

- a) The term "Hazardous Substances", as used in this Lease, shall mean any hazardous, toxic, infectious, or radioactive substance, waste or material as defined or listed by any Environmental Law except for immaterial quantities of substances customarily and prudently used in the cleaning and maintenance of the Premises in accordance with any applicable law. The term "Environmental Law" shall mean any federal, state, or local statute, regulation, rule, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment.
- b) Tenant shall, at Tenant's own expense, comply with all Environmental Laws. Tenant shall not cause or permit to occur: i) any violation of Environmental Laws, in, above, under, from or affecting the Premises, or arising from Tenant's use or occupancy of the Premises, including, but not limited to, soil, groundwater, indoor air or outdoor air quality conditions; or ii) the use, generation, release, manufacture, refining, production, handling, processing, storage or disposal of any Hazardous Substance in, above, under, from or affecting the Premises, or the transportation to

or from the Premises of any Hazardous Substance without Landlord's prior written approval.

- c) Tenant shall immediately notify landlord in writing of: i) any material spill, discharge or release of any Hazardous Substance whether or not the release is in quantities that would legally require reporting to a regulatory agency and any spill, discharge or release that must be reported to a regulatory agency; and, ii) any inquiry, investigation, enforcement action, notice of potential violation or other action that is instituted or threatened against Tenant that relates to the spill, release or discharge or Hazardous Substances in, above, under, from or affecting the Premises.
- d) Tenant shall, at Tenant's own expense, make all submissions to, provide all information required by, and comply with all requirements of all regulatory authorities. Should any regulatory authority or any third party require that a clean up plan be prepared and that a clean up be undertaken because of any release of Hazardous Substances that occurs as a result of Tenant's use or occupancy of the Premises, Tenant shall, at Tenant's own expense, prepare and implement the required plans and provide all financial assurances in accordance with applicable requirements.
- e) Tenant shall promptly provide all information regarding the use, generation, storage, transportation, release, manufacture, refining, production, handling, processing, or disposal of Hazardous Substances that is requested by Landlord.
- f) If Tenant fails to fulfill any duty imposed under this Section within a reasonable time, Landlord may do so; and in such case, Tenant shall cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the compliance therewith; and Tenant shall execute all documents promptly upon Landlord's request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any applicable law shall constitute a waiver of any of Tenant's obligations under this Section.
- g) On the expiration or termination of the Lease, Tenant shall, at Tenant's own expense, remove all Hazardous Substances from the Premises. Tenant's obligations and liabilities under this Section shall survive the expiration or termination of this Lease.
- h) Notwithstanding anything to the contrary provided herein, Tenant shall have no responsibility or liability for the clean-up or liability for any Hazardous Substances existing in, on or under the Premises as of the Commencement Date.

12. Fire Prevention

Tenant shall prevent and control fire on the Premises and comply with any rules and regulations set forth by the Fire Marshal. Tenant shall promptly pay for any fire inspection

or re-inspection fee assessed to the Premises and make all corrections as ordered by the Fire Marshal. If authorized to be kept or used at the Premises, any paints, oils or other flammable materials shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as set forth by the Fire Marshal. Tenant shall adopt emergency or safety plan and practice routine fire drills. Tenant shall monitor, maintain and service the fire suppression systems serving the Retail Parcel using third party contractor who is approved by Landlord and who has knowledge and expertise in such functions. In the event Tenant fails to monitor, maintain and/or service this system subject to the Fire Code, the Parties agree that Landlord, following Tenant's failure to comply within ten (10) days written notice, may contract directly for the performance of this work at Tenant expense.

13. Overloading Premises (Floors, Surface Lot, Rooftops)

Tenant shall not overload the Premises, including its floors, surface lot, rooftops and walls, so as to cause any undue or serious stress or strain to the Premises or to the Burnside Bridge. Tenant shall not lean or affix any objects to any roof support beams in the Retail Parcel or to any Burnside Bridge columns or abutment which may lead to any strain or stress to those supports. Landlord shall have the right, at any time, to call upon any competent engineer or architect whom Landlord may choose, to decide whether or not the Premises, or any part thereof, are being overloaded so as to cause any undue or serious stress or strain on any portion of the Premises. The decision of the engineer or architect shall be final and binding upon Tenant. Tenant shall a) immediately relieve any overloading, stress or strain to the Premises by removing the object, lightening the load and reinforcing the Premises or building as requested by Landlord, or by County in the case of Bridge columns or abutment, b) repair any damage resulting from the overloading, strain or stress at Tenant's sole expense, and c) reimburse Landlord for the costs and expenses associated with employing the engineer or architect if any such overloading, strain or stress is discovered and must be remedied.

14. Signs and Attachments

Tenant shall not place signage or attachment in or on the Premises, any common area or the exterior of the Premises, including windows or doors, unless such signage complies with applicable laws regulating signs, including the Sign Code under Portland City Code Title 32. Tenant is solely responsible for costs for installation, maintenance, removal and repair of damage related to signage placed or attached. Signage shall be kept in good and safe condition by Tenant. Compliance with signage code or other applicable regulations shall not be deemed an endorsement or support by the City of any viewpoints that may be expressed in the signage placed at Premises; Landlord reserves the right to require incorporation of statements of non-endorsement or non-association to any signage or attachment.

15. Acceptance of Premises

Tenant has examined the Premises and accepts them in "as is" condition. No representations or warranties as to the condition of the Premises have been made by Landlord or its officers, agents or employees. Tenant is responsible for determining whether Tenant's proposed use of Premises conforms to applicable zoning or building codes. Landlord shall have no liability to Tenant for any damage or injury caused by the condition of the Premises or for any latent defect in the Premises. All furnishings, appliances, fixtures, improvements, surface coverings, decoration and other contents of the Premises shall be provided by Tenant at its own expense. Tenant accepts the Premises subject to any and all existing permits, licenses, leases, easements, railroad facilities, pipelines, telephone, telegraph, communication, power and signal lines or any other similar facilities, together with any future installations thereof.

16. Square Footage

Tenant's signature to this Lease verifies the approximate square footage of the Premises. The Base Rent and any other charges assessable under this Lease shall not be adjusted by reason of any claimed variation in square footage by either party.

17. Alterations and Additions

Tenant shall not make or allow to be made any structural alterations, additions or improvements to or of the Premises or any part thereof or its contents without first obtaining the written consent of Landlord. Unless otherwise agreed, all alterations, additions or improvements to or of the Premises, including, but not limited to, wall covering, paneling, built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to Landlord and shall be surrendered with the Premises. Any alterations, additions or improvements to the Premises by Tenant shall be made by Tenant at Tenant's own expense. If Landlord consents to Tenant's removal of any alterations, additions or improvements, Tenant shall repair any damages caused by the removal. No installation of "a work of visual art", as defined in the Visual Artists Rights Act (VARA) (17 U.S.C. Sec. 101 et seq), shall be made at the Premises regardless of whether a written waiver of moral rights under the VARA may be executed by the artist. Nothing shall be affixed to any bridge columns or bridge infrastructure either permanently or temporarily without Landlord's written consent, and subject to approval from County as may be required. No bridge column or bridge infrastructure shall be painted or marked without Landlord's written consent, and subject to approval from County as may be required. Landlord acknowledges that subject to applicable law Tenant may fence the Parking Parcel with fencing material approved by PBOT and at Tenant's expenses. Tenant's fencing cannot encompass the public sidewalks or impede the access of the adjoining property owner at 45 SW Ankeny Street (currently owned by Mercy Corps Headquarters Building LLC) or its licensees; in the event Tenant has uncertainty as to where to place its proposed fence, Tenant may consult PBOT for fence placement planning.

18. Tenant Improvements

- a) All work performed to the Premises shall be done in strict compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations, and ordinances. Prior to the commencement of any structural work or nonstructural work which, in the aggregate of nonstructural work then being completed, will cost more than \$50,000.00, Tenant shall submit to Landlord's Property Manager and obtain Landlord's written consent to all of the following: Tenant's plans, specifications and work drawings detailing the alteration, construction or changes to the Premises proposed by Tenant; Tenant's estimated costs; and, the names of Tenant's general contractors and major subcontractors, along with copies of contractors/subcontractors' certificates of insurance and bonding. Landlord's consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall submit a request for consent to OMF Property Management (Attn: Janene Edgerton /or designee). If Landlord has not responded to Tenant's request for consent within ten (10) business days of Tenant's request, Tenant may give Landlord a written notice pursuant to Section 44 below with a copy to the Office of the City Attorney, which notice shall provide that Landlord's consent shall be deemed given if Landlord does not respond within ten (10) business days of the receipt of such written notice. As required by law, Tenant shall apply for permits and submit permit plans to the City of Portland's Bureau of Development Services or other appropriate City bureaus, or government agency with permitting responsibility, within ten (10) days of obtaining Landlord's written consent to Tenant's plans and specifications. All plans for construction, alteration or changes to the Premises shall be signed and sealed by an architect or engineer licensed by the State of Oregon. Tenant shall provide Landlord with proof of valid permits prior to commencement of any work and proof of inspection approval after work completion. The City of Portland's Bureau of Development Services or other appropriate City bureaus shall be considered separate regulating or permitting bodies; the City's Office of Management and Finance shall be deemed Landlord.
- b) Landlord's written consent and/or approval of proposed or constructed construction, improvement or alteration, if required pursuant to subparagraph a) above, shall create no responsibility or liability on the part of Landlord for design completeness, sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities, and shall not be construed as Landlord's warranty or approval of the adequacy, competence, experience, bonding or licensure of any contractors/subcontractors or the quality of the work that may be performed by these persons. Tenant remains liable to Landlord for non-compliance and defects in any work performed by Tenant's contractors/subcontractors.
- c) All work performed by Tenant shall be carried forward expeditiously, shall not interfere with Landlord's work or the work to be performed by other authorized persons, and shall be completed within a reasonable time. All work shall be completed in a good workmanlike manner. Landlord or Landlord's employees or agents shall have the right at all reasonable times to inspect the quality and progress

of the work. Tenant shall provide Landlord all construction drawings (inclusive of architectural, structural, mechanical, and electrical drawings) on computer disks in format readable by AutoCAD 2008 (or the appropriate version utilized by the City), at completion of any of Tenant's construction pursuant to this Section 18.

- d) Upon the expiration or termination of the Lease, Tenant shall remove from the Premises all of Tenant's property. Any alterations or improvements installed by or on behalf of Tenant, unless Tenant has obtained written consent from Landlord to remove such alteration or improvement, shall be left in place as Landlord's property. Such improvements may include, without limitation, any cabling, conduit or other equipment installed for telecommunications services. Tenant shall promptly repair any damage to Landlord's property caused by removal, and restore the area to a clean and neat condition, normal wear and tear and casualty excepted. If Tenant fails to remove its property, Landlord may at its discretion keep or use some or all of the property as Landlord's own without any compensation due to Tenant, or elect to remove, store and sell some or all of the property in accordance with applicable law, and at Tenant's expense.

19. Improvements Allowance

Landlord will not make any improvements for Tenant to the Premises. Tenant is entitled to a one-time Tenant Improvement Allowance in the sum of twenty thousand dollars (\$20,000.00) which will be paid directly by PDC. Tenant understands that this Allowance is Tax Increment Financing (TIF) dollars, can only be used for TIF eligible purposes and is restricted to design, engineering and construction of the physical improvement at the Premises. In addition to any documentation that may be reasonably sought from PDC, Tenant in making its request for disbursement should provide to PDC: (a) written invoice(s) with respect to any tenant improvement item(s); (b) proof of payment in accordance with State of Oregon prevailing wage rates and/or federal Davis Bacon Act; (c) lien releases from persons providing services on tenant improvements; and (d) inspection approval on completed tenant improvements. If Tenant does not make request for disbursement by January 1, 2012, any unused portion of Tenant Improvement Allowance will be forfeited. Tenant shall be liable for any violation of failure to comply with prevailing wage laws, including but not limited to satisfaction of any underpayment of wages to covered workers and penalties assessed by wage/labor regulatory agency.

20. Maintenance and Repair

- a) Landlord shall have no responsibility to Tenant for any maintenance, alteration or repair of the Premises. At Tenant's expense, Tenant is responsible for maintaining and repairing the Premises and all improvements of any kind, which may be erected, installed or made thereon, in a neat condition, free of trash and debris, in good and substantial condition, order and repair.
- b) At Tenant's expense, Tenant shall maintain in serviceable condition the sidewalks, roof, gutters and downspouts, walls and plumbing, and shall maintain and repair and

make any replacement of the electrical and mechanical equipments including any heating or air conditioning unit, subject to notice and approval of Landlord. Any replacement equipment shall be of quality and efficiency similar to that existing on the Commencement Date and shall be suitable for use in the Retail Parcel. Tenant shall adopt an operations and maintenance plan, with copy of the adopted plan to Landlord, covering the major building systems (such as plumbing, electrical and mechanical) and building structure (such as roof, foundation and wall) and shall perform maintenance in accordance with the plan. Landlord shall have the right to inspect Tenant's operations and maintenance records, and to reasonably request additional servicing of the equipment or systems serving the Premises.

- c) The sidewalks in front of the Retail Parcel and the Parking Parcel shall be kept clean and free of debris and shall be washed as frequently as may be necessary. Tenant shall schedule routine inspection of the Parking Parcel surface to ensure that the Parking Parcel's striping is intact and visible and the grading remains reasonably even. Tenant shall be required to make repairs to the Parking Parcel surface that are reasonably necessary, or as may be requested by Landlord from time to time, to ensure the Parking Parcel surface remains in good and useable condition. Tenant will give PBOT at least ten (10) days written notice prior to commencing Parking Parcel repair work that costs, in the aggregate of repairs simultaneously being made, more than \$10,000.00. All materials used to repair the Parking Parcel shall be of the same or better grade than that which may be selected for use on other City street surface parking lots.
- d) County owns and operates the Burnside Bridge above the Premises. Tenant shall protect the bridge structure and supporting columns from vehicle and equipment damage. Tenant shall not bring onto the Premises any oversize or over-height vehicles or equipment. Tenant shall allow sufficient vertical and horizontal clearance for the operation, maintenance, ventilation and safety of any bridge systems.
- e) If Tenant's use or occupancy causes an immediate hazard in the right-of-way or to the Bridge, Tenant must immediately notify Landlord and County. If directed by Landlord or County, Tenant shall make immediate repairs or remediation to the satisfaction and approval of Landlord and the County. If City or County Engineer determines that in his/her sole discretion Tenant failed to act promptly or appropriately, Landlord may undertake necessary repairs or remediation at Tenant's expense. Tenant shall have no right to any claims, including but not limited to loss of use or rent abatement, from Landlord due to its loss of occupancy or use while repair or remediation is undertaken.
- f) In the event Landlord is required by order or decree of any court, or a governmental authority, to repair, alter, remove, reconstruct, or improve any part of the Premises ("Mandated Repair"), then, at Tenant's expense, Tenant shall assume Landlord's responsibility for the Mandated Repair. Tenant shall not be entitled to an abatement or adjustment of rent for any expenses it may incur. Whether or not ordered to do so

by a governmental authority, Landlord and Landlord's agents and employees shall have the right from time to time during the term of this Lease to enter into and upon the Premises for the purpose of inspection.

21. Ice, Snow, Debris

The Premises are located at street level. Tenant shall, at all times, keep the sidewalks in front of the Premises reasonably free and clear of ice, snow, rubbish, debris and obstruction.

22. Security Measures

Tenant shall provide adequate security service or adopt security measures regarding the Premises. Tenant may install a security system within the Premises with Landlord's prior written consent. Tenant shall provide Landlord with an access code or key to any security system that relate to entry to the MCAT including the fire system access room.

23. Liens

Tenant shall keep the Premises free from all liens, including construction liens, arising from any act or omission of Tenant or those claiming under Tenant. Tenant shall pay as due all claims for work done, for services rendered or material furnished to the Premises at its request. If Tenant fails to pay any claims or to discharge any lien, following thirty (30) days written notice from Landlord to Tenant, Landlord may discharge the lien and collect all costs of discharge, including its reasonable attorney's fees, as Additional Rent. Assessment of Additional Rent by Landlord shall not constitute a waiver of any right or remedy Landlord may have on account of Tenant's default. Tenant may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, so long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within thirty (30) days after notice of filing, provide Landlord with an executed copy of a discharge of the lien, or deposit with Landlord cash or a sufficient corporate surety bond or other security satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney's fees or other charges that could accrue as a result of any action arising from the lien.

24. Light, Air, Subsurface Rights

This Lease does not grant any rights of access to light or air over any part of the real property in which the Premises are located. Landlord has no liability for interference with light and air. This Lease does not grant Tenant any subsurface rights to the Premises.

25. Eminent Domain

A party receiving any notice from a condemning authority of a proposed taking or action related to condemnation affecting the Premises or any portion thereof shall promptly give the other party notice. If all of the Premises is taken by a condemning authority, by exercise of that right or by sale or purchase in lieu of condemnation, whether the taking be a direct

physical taking or an indirect taking compensable by way of severance damages or the like, Landlord shall be entitled to all of the proceeds of the taking and Tenant shall have no claim against Landlord as a result of the taking except for a return of prepaid Base Rent pro-rated for any whole months after the taking. If the Premises remaining after the taking are sufficient for practical operation of Tenant's business, Tenant may elect to continue operations in the remaining portion of the Premise and to make all necessary repairs and Landlord agrees to make a portion of the award available to pay the cost thereof, or may elect to terminate the Lease as of the time of the taking. Base Rent shall be abated in proportion to the amount of square footage of the Premises taken during any period of Tenant's alteration and repair. If Tenant determines that the portion of the Premises remaining is not sufficient for practical operation of Tenant's business, this Lease shall terminate as of the date title vested in the condemning authority.

26. Indemnification

- a) Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents and employees from any and all liability, damage, expenses, attorney's fees, causes of actions, suits, claims or judgments, arising out of or connected with (i) the use, occupancy, management or control of the Premises, (ii) any failure of Tenant to comply with the terms of this Lease or any violation of law or ordinance and (iii) the acts or omission of Tenant, its agents, officers, directors, employees or invitees of the Retail Parcel (but not invitees or other parties on the Parking Parcel). However, Tenant shall not be liable for claims caused by the sole negligence of Landlord, its officers, agents or employees. Tenant shall, at Tenant's cost and expense, defend any and all claims, demands, actions or suits which may be brought against Tenant or Landlord or Landlord's officers, agents or employees, either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay and discharge any and all judgments, including attorney fees and costs, that may be recovered against Tenant or Landlord or Landlord's officers, agents, and employees, in any such action or actions in which they may be party defendants.
- b) Landlord and its officers, agents and employees shall not be liable for any injury to the goods, stock, merchandise or any other property of Tenant or to any person in or upon the Premises including, but not limited to, damage by fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place resulting from dampness or any other cause whatsoever, or collapse of the Premises or any portion thereof, or any other cause.
- c) Tenant shall give Landlord prompt written notice of casualty or accident on the Premises. As a material part of the consideration to Landlord, Tenant assumes all risk of damage to property or injury to persons, in, upon or about the Premises from any cause other than Landlord's sole negligence, and Tenant waives all claims in respect thereof against Landlord.

- d) Tenant shall indemnify, defend and hold Landlord harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value of the Premises) which arise during or after the lease term as a result of environmental contamination as a result of the acts or omissions of Tenant, its employees or agents. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any environmental cleanup, remedial, removal or restoration work in response to hazardous substances, hazardous materials, pollutants, toxics or regulated environmental contaminants of any kind as a direct or indirect result of Tenant's activities. Tenant shall promptly take all action at its sole expenses as are necessary to return the Premises to the condition existing prior to the release of contaminants. Except for immediate initial response actions necessary to protect human health and the environment from substantial imminent harm, Tenant shall obtain Landlord's approval of all such response action. This environmental indemnity shall survive the expiration or termination of the Lease.
- e) Tenant shall have control of the defense and settlement of any claims in this Section. However, Tenant and any attorney engaged by Tenant shall not defend the claim in the name of Landlord, nor purport to act as legal representative of Landlord, without first receiving from Landlord's attorney (City Attorney) the authority to act as legal counsel for Landlord, and shall not settle any claim on behalf of Landlord without the approval of Landlord's attorney. Notwithstanding Tenant's obligation to indemnify, defend and hold harmless Landlord, Landlord may at its election assume its own defense and settlement if Landlord determines that Tenant is prohibited from defending Landlord or is not adequately defending Landlord's interest, or determines that an important governmental principle is at issue and Landlord desires to assume its own defense. Tenant shall notify Landlord of any claims or lawsuits that arise due to Tenant's occupancy and use of the Premises or as a result of this Lease.
- f) The Premises are located within close proximity to the lightrail tracks of TRIMET and under the infrastructure of County. Tenant understands that there may be dangers to persons or property associated with the operation, maintenance or improvement of the transit operations and bridge infrastructure, including but not limited to loud noise, dust, fumes, smoke, vibration, heat, fire and construction associated hazards. Tenant agrees, as one of the material considerations of this Lease, without which the Lease would not be granted, that Tenant unequivocally assumes all risks of loss and damage including, without limitation, loss or damage to the Premises or any other improvement of Tenant at the Premises, bodily injury to Tenant or its invitees located on the Premises, and damage to or loss of use of property of Tenant or its invitees located on the Premises, arising from the dangers of the operation, maintenance or improvement of the transportation operations of TRIMET and County. The provisions of this Section shall survive the expiration or termination of this Lease.

27. Insurance

- a) Tenant shall maintain or cause to be maintained commercial general liability and property damage insurance, including automobile and fire legal liability endorsement, that protects Tenant and Landlord and Landlord's officers, agents and employees as additional insureds from any and all risks, claims, demands, actions, and suits for damage to property including without limitation personal injury, including death, arising directly or indirectly from Tenant's activities or any condition of the Premises. The insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under this Lease and shall protect Landlord and Tenant against claims of third persons. The insurance shall provide coverage for not less than \$2,000,000 per each occurrence. Landlord reserves the right to require additional insurance coverage as required by City policy, statutory or legal changes to the maximum liability that may be imposed on municipalities of the State of Oregon during the term of this Lease. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds Landlord and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage shall apply as to claims between insured on the policy. The insurance shall provide that the insurance shall not terminate or be cancelled without thirty (30) days written notice first being given to Landlord. If the insurance is cancelled or terminated prior to termination of the Lease, Tenant shall provide a new policy with the same terms. Tenant agrees to maintain continuous, uninterrupted coverage for the duration of the Lease. The automobile insurance shall include coverage for any damages or injuries arising out of the use of automobile or other motor vehicles by the Tenant at Premises and Tenant's operation of a parking lot in its business.
- b) Commencing on the Commencement Date and continuing during the Term, Tenant shall maintain in full force a policy or policies of property insurance written on a "Special Extended Coverage" form for the full replacement cost of the buildings and/or improvements on the Retail Parcel (excluding foundations).
- c) Tenant shall maintain on file with Landlord a certificate of insurance certifying the coverage required by this Section. The adequacy of the insurance shall be subject to the approval of the City Attorney.

28. Waiver of Subrogation

- a) Landlord and Tenant each agree to waive claims arising in any manner arising in favor of either Landlord or Tenant and against the other for loss or damage to their property located within or constituting a part or all of the Premises to the extent the loss or damage is covered by liability insurance the party is required to carry under

this Lease. The waiver also applies to Tenant's directors, officers, employees, shareholders and agents and to Landlord's officers, agents and employees. The waiver does not apply to claims arising from the willful misconduct of Landlord or Tenant.

- b) Tenant acknowledges that Landlord is self-insured and that Landlord will not obtain any insurance policy under this Lease. If Tenant is unable, despite its best efforts, to find an insurance company that will issue a policy containing a waiver meeting the requirements of this Section at reasonable commercial rates, then it shall give Landlord written notice within thirty (30) days after the commencement date of this Lease. Upon the date of issuance of such notice, both parties shall be released from their obligation of waiver of subrogation.

29. Workers' Compensation Insurance

Tenant shall comply with the workers' compensation law, ORS Chapter 656, and as it may be amended from time to time. Unless Tenant demonstrates to the satisfaction of Landlord that Tenant is exempted from workers' compensation insurance requirements, Tenant shall maintain coverage for all subject workers and provide to Landlord proof of valid workers' compensation insurance covering the entirety of the Lease term.

30. Damage or Destruction

- a) Landlord has no responsibility for repair, reconstruction or restoration of the Premises if the Premises are damaged or destroyed by fire, or by fire and water or by other casualty. In the event of damage by such casualty, Tenant shall proceed with reasonable diligence to make all necessary repairs or reconstruction, subject to Landlord's approval and at Tenant's expense, to bring the Premises to substantially the same condition as prior to the casualty. All insurance proceeds shall be made available for said purpose. Rent shall be reasonably abated, in proportion to the amount of square footage damaged, during any period of repair.
- b) If Tenant elects not to undertake reconstruction or repair, this Lease shall terminate and Landlord shall keep all prepaid Rent. Landlord shall be entitled to all proceeds of insurance. Tenant shall have no claim against Landlord for any injury suffered by Tenant, including but not limited to claims for interference with or loss of Tenant's business, profits, property or occupancy arising from a casualty or by reason of any repairs to the Premises or the building necessitated by the casualty.
- c) Landlord has no obligation to: i) repair or replace any Tenant leasehold improvements or alterations, furniture, fixtures, equipment or personal property; or ii) to reconstruct the Premises or any improvements if Landlord deems uneconomic.

31. Assignment and Subletting

- a) Tenant shall not assign, mortgage, sublet, pledge or transfer this Lease or any interest therein or in any way part with possession of all or any part of the Premises, or permit or license the use or occupancy by any other person except as provided in this Section.
- b) Tenant may sublet the Premises so long as subtenant complies or agrees to comply with the terms and conditions required of Tenant under the Lease. Tenant shall give Landlord notice of the subletting. Tenant is not released from liability for the continued performance of the terms and provisions during any sublease. Tenant may not sublease the Premises to telecommunications companies or permit the collocation of telecommunication equipment or systems of telecommunications companies at the Premises. Tenant may not sublease the Premises to person or entity engaged in businesses or enterprises described on Exhibit C.
- c) Tenant may assign this Lease upon prior written consent and approval of Landlord, which consent and approval shall not be unreasonably withheld, conditioned or delayed so long as no default or breach of the Lease exists at the time of the request; and the assignee/transferee establishes to the reasonable satisfaction of Landlord that assignee/transferee has similar or better financial capability and stability as Tenant. Consent to one assignment or transfer by Landlord shall not be deemed to be a consent to any subsequent assignment or transfer and shall not release Tenant from liability for the continued performance of the terms and provisions, unless Landlord specifically and in writing releases Tenant from liability. If Landlord has not responded to Tenant's request for consent within ten (10) business days of Tenant's request, Tenant may give Landlord a written notice pursuant to Section 44 below with a copy to the Office of the City Attorney, which notice shall provide that Landlord's consent shall be deemed given if Landlord does not respond within ten (10) business days of the receipt of such written notice.
- d) In the event of merger, acquisition or consolidation of Tenant with any parent, subsidiary, successor or affiliated corporation, limited liability company or partnership, Tenant and/or the resulting corporate entity must notify Landlord of the change in corporate identity or status within five (5) business days. The resulting corporate entity must agree to assume of all Tenant liability and responsibilities under this Lease. The resulting corporate entity must have the same or better financial, management and operational capability and stability to assume Tenant liability and responsibilities. Landlord may request the resulting corporate entity provide documents acknowledging the corporate change and assumption of responsibility. Change of Tenant's corporate status arising from administrative dissolution shall be deemed a transfer for the purposes of this Section.
- e) The covenants and conditions contained in this Lease apply to and bind the heirs, successors, executors, administrators and assigns of the parties.

32. Sale by Landlord or Transfer of Right-of-Way Authority

In the event of sale of or transfer of right-of-way authority over the Premises by the City, Landlord shall be entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of the sale or transfer. The purchaser or transferee shall be deemed, without any further agreement between the parties and any such purchaser or transferee, to have assumed and to have agreed to carry out any and all of the covenants and obligations of the City under this Lease.

33. Entry by Landlord; Access

- a) In addition to other rights of access provided under the Lease, Landlord shall have the right to enter the Premises upon 24 hour written notice to Tenant: i) to inspect its conditions; ii) to submit the Premises to prospective purchasers or tenants; iii) to post notices of non-responsibility; iv) during the six (6) months prior to Lease termination, to post a sign notifying the public that Premises are available for leasing; and, v) to repair, make alterations or improvements to the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent.
- b) The MCAT is designated in Exhibit A, and includes a) a stairwell at the south end of the tract that leads to an adjoining building with the address of 108 W Burnside that is currently owned by Saturday Market Lot LLC c/o Bill Naito; b) entry doors at the north and south end of the tract plus a rolling bay door at the north end; c) secured door for entry into the ATM Room at the south end of the tract; d) mechanical, electrical, fire and water systems at the north end of the tract; and e) a secured fire systems monitoring room at the north end of the tract. Landlord shall have right to access the MCAT and may permit third parties, including but not limited to County, to access these areas from time to time using access keys.
- c) Except in connection with the use of the MCAT by the Portland Saturday Market, an Oregon non profit corporation, ("PSM"), as described below, doors to the MCAT are to be kept closed and secured at all times when not in use. Tenant shall not allow unauthorized persons into the MCAT and shall take reasonable actions access to prohibit and prevent unauthorized persons. Tenant shall not store any property, temporarily or permanently, in the MCAT. Tenant property stored without authorization in the MCAT shall be deemed abandoned and removed without notice to Tenant. Tenant shall be liable for expenses, including Landlord's overhead charges, for removal and disposal of Tenant property improperly stored in the MCAT.
- d) Subject to the use of the MCAT by PSM, at Tenant's expense, Tenant shall be responsible for maintenance and repair of the MCAT. Tenant shall have the right to install a timer or motion activated switch for the lights in the MCAT.

- e) Tenant hereby acknowledges that City may lease a portion of the MCAT to PSM solely for storage in a portion of the MCAT as approved by Tenant, which approval shall not be unreasonably withheld so long as the area is approved by the City and the City's Fire Marshall. In said event, PSM will assume Tenant's responsibility for the security and maintenance of the MCAT at PSM's expense during the term of its storage lease with the City. Tenant will not be responsible for the MCAT during the term of a lease to PSM except for (i) Tenant's garbage collection area at the north end of the MCAT; (ii) the secured fire systems monitoring room at the north end of the MCAT, to which PSM will not have access; and (iii) for the operations, maintenance and repair of the mechanical, electrical, fire and water systems at the north end of the tract serving the Retail Parcel. PSM shall provide Tenant with a certificate of commercial general liability insurance in the same manner as set forth in paragraph 27 above, naming Tenant as an additional insured.
- f) Tenant may place garbage and recycling bins at the north end of MCAT and Tenant shall be responsible for keeping the area around said bins in clean and orderly fashion and shall not block access to or through the MCAT for any users. PSM shall have no right to use Tenant's garbage or recycling containers nor shall PSM have the right to place any other garbage or recycling containers in the MCAT (all PSM garbage and recycling must be removed from the MCAT).
- g) Landlord on behalf of itself and/or County shall have the right to access the rooftop of the Retail Parcel and the Parking Parcel to inspect the rooftop, parking lot or the Bridge structure over the Premises that the City or County deem necessary or desirable, without Tenant having any claim against Landlord, including but not limited to claim for abatement of rent, interference or loss of use. Landlord may erect scaffolding or other necessary structure reasonable required by the character of the work to be performed, providing that the entrances to the Retail Parcel and the ingress/egress to the Parking Parcel are not unreasonably blocked or the uses of these parcels not unreasonably interfered.
- h) The Premises is situated upon the right-of-way. Landlord shall have the right to enter the Premises for accessing as needed the sanitary system openings (manholes) for inspection, maintenance and other sewerage system activities with a lockbox and Universal key. Landlord reserves the right to perform work related to the sanitary system. Tenant shall place no floor covering or other object over the manhole (e.g., one located at the south end of the Retail Parcel) that cannot be easily removed; Landlord shall have no liability for repair or replacement of any floor covering that covers the manhole. Landlord reserves the right to request Tenant immediately relocate any vehicle that may block any sanitary system opening on the Parking Parcel.
- i) If Tenant fails to maintain the Premises in a clean and orderly fashion consistent with the use and appearance of the building, then upon Tenant's failure to remedy the alleged deficiency within thirty (30) days following receipt of written notice from

Landlord and at Tenant's expense, Landlord may enter the Premises to rectify the condition and to restore the Premises to the condition, use and appearance that existed at the time this Lease was executed, reasonable wear and tear excepted.

- j) Landlord shall have the right to use any and all means which Landlord may deem proper to open the doors of the Premises in an emergency, in order to obtain entry to the Premises, without liability to Tenant.
- k) Tenant will provide access through the Parking Parcel for vehicles, bicycles and pedestrians to and from the public right-of-way currently known as Naito Parkway for owner of abutting property, located at 45 SW Ankeny Street (currently owned by Mercy Corps Headquarters Building LLC), and its licensees.
- l) Any entry to the Premises obtained by Landlord shall not under any circumstances be construed or deemed to be forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof. Tenant hereby waives any claims for damages or for any injury or inconvenience to or interference with Tenant's business; any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby pursuant to this Section.
- m) In the event of Landlord's entry, Landlord shall not be liable for the consequences of admitting by passkey or refusing to admit Tenant or its agents, employees or other persons claiming the right of admittance. Tenant, its employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Premises or building. Landlord may regulate access to building elevators, rooftops, electrical or mechanical rooms.

34. Default by Tenant

Any one or more of the following shall be an "Event of Default":

- a) Failure of Tenant to pay any Rent or monetary obligations required by this Lease within ten (10) days;
- b) Failure to permit or interference with the routine or emergency inspection, maintenance or repair work to the Bridge infrastructure;
- c) Failure of Tenant to comply with any term or condition or to perform any obligations of this Lease, within thirty (30) days after written notice by Landlord specifying the failure with reasonable particularity. If the failure is of such nature that it cannot be completely remedied within the thirty (30) day period, then Tenant shall commence cure within the thirty (30) day period, notify Landlord of Tenant's steps for cure and estimate time table for full correction of the failure, and proceed with reasonable diligence and in good faith to correct the failure as soon as practical and to completion.

- d) The abandonment of the Premises by Tenant for any duration, cessation of Tenant's business at Premises, or the failure of Tenant to occupy the Premises for fifteen (15) days or more unless such failure is excused under the Lease or Landlord affirmatively consents. Reasonable actions of Tenant to secure new/replacement subtenant for the Premises is an acceptable excuse, provided that upon written request of Landlord, after the Premises has been vacant for at least one hundred eighty (180) days, Tenant provides Landlord with evidence of Landlord's commercially reasonable subletting efforts.
- e) An insolvency, receivership or bankruptcy proceeding is filed by or against Tenant to declare Tenant insolvent or bankrupt, or to seek a plan of reorganization or arrangement by Tenant with its creditors, unless such petition is withdrawn or dismissed within sixty (60) days after the date of its filing.
- f) Appointment of receiver or trustee for the business or property of Tenant, unless such appointment is vacated within thirty (30) days of its entry.
- g) Tenant makes an assignment of Tenant's property for the benefit of its creditors, or if in any other manner Tenant's interest in this Lease is passed to another person by operation of law.
- h) If Tenant admits in writing of Tenant's inability to meet Tenant debts as they mature.

35. Remedies on Default by Tenant

- a) Upon occurrence of an Event of Default, Landlord may: i) elect to terminate the Lease and Tenant's right to possession to the Premises by ten (10) day written notice to Tenant; ii) exercise its right to cure any non-monetary default and recover the cost of such cure from Tenant; iii) re-enter, take possession of the Premises and remove any persons or property by legal action or self-help, with the use of reasonable force and without liability for damages; or iv) exercise any legal or equitable right or remedy it may have. Landlord's remedies in this Section shall not be exclusive but shall be in addition to all other remedies and rights provided under applicable law, and no election to pursue one remedy shall preclude resort to another consistent remedy. Tenant's liability to Landlord for default shall survive termination of this Lease.
- b) Following re-entry by Landlord due to termination, Landlord may re-let the Premises. Landlord may alter, refurbish or change the character or use of the Premises in connection with any re-letting. Re-letting by Landlord following Tenant's default shall not be construed as an acceptance or a surrender of the Premises. If base rent received upon re-letting exceeds the Base Rent received under this Lease, Tenant shall have no claim to the excess.
- c) Landlord shall have the right to recover from Tenant the following charges: i) all unpaid Rent or other monetary obligations, plus interest and late charges as provided

by this Lease; ii) any loss of Rent from default until new tenant is secured and paying Rent; iii) all costs incurred by Landlord by reason of Tenant's default, including, but not limited to, correcting or curing Tenant's default, recovering the Premises, re-letting or attempting to re-let the Premises, cleaning and repairing Premises, preparing Premises for a new tenant, restoring any unauthorized alterations, paying real estate commissions or advertising Premises; and, iv) reasonable attorney's fees incurred in connection with the default, whether or not any litigation has commenced.

- d) Landlord may institute actions periodically to recover damages as they accrue throughout the Lease, and no action for accrued damages shall be a bar to a later action for damages subsequently accruing. Nothing in this Lease shall be deemed to require Landlord to wait until the Lease terminates to institute action. Landlord may obtain a decree of specific performance requiring Tenant to pay damages as they accrue. Alternately, Landlord may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the Lease.
- e) In addition to any other remedies, Landlord shall have a lien pursuant to ORS 87.162 et seq for unpaid Rent against Tenant's property on the Premises, and may remove Tenant's property (trade fixtures as defined under Oregon law, equipment, furnishings, chattels and furniture) from the Premises and store and retain such property until all damages are paid, or until foreclosure of Landlord's lien. Tenant waives all rights or claims against Landlord as to the failure or difficulty of mitigation of damages by reason of removal of Tenant's property from the Premises, and Tenant may not assert that the Premises cannot be leased to a third party due to the removal of the items.

36. Termination Pursuant to Right of Local Government; Termination for Convenience

- a) This Lease is subject to the restrictions and covenant imposed upon a portion of the Premises by County under Intergovernmental Agreement between PDC and County related to the Burnside Bridge West (Max Retail Project), entitled "Agreement Regarding Bridge Permit - Burnside Bridge West (MAX Retail Project)". A copy of that PDC-County Agreement is attached and incorporated hereto as Exhibit B. Tenant's rights to the Premises under the Lease are subject to the covenant of Paragraph 3 of the PDC-County Agreement, which shall be fully incorporated into this Lease. Tenant shall be substituted as the referenced "Third Party" in that PDC-County Agreement. The premises described in the PDC-County Agreement shall be the Retail Parcel of this Lease. Any conflicts in rights or responsibilities between the PDC-County Agreement and this Lease shall be construed in favor of the right of County to carry out its tasks related to the Burnside Bridge. In the event of notice from the County, either Landlord or Tenant may elect to terminate this Lease and the Lease shall be of no further force and effect, except for rights and obligations that survives termination or expiration of this Lease.

- b) The right to use the Parking Parcel is subject to determination that the right of way under Burnside Bridge between Naito and 1st Avenue is not needed for public use as a street and that its use as a surface parking lot will not unreasonably interfere with public use and utility of the city streets and sidewalks as provided by law. The Lease does not affect any prior dedication or grant of the street property for street and sidewalk purposes. If the City Traffic Engineer determines that the Parking Parcel is needed for streets or sidewalks or the use of the parcel as a surface parking lot will interfere with required streets and sidewalk purposes, or if the City Council upon Resolution determines that the parcel is needed for public purpose, Landlord shall have the right to terminate this Lease for convenience and the public need. Landlord shall provide Tenant with at least 120 days written notice of termination for convenience, except in the case of emergency in which Landlord will provide notice as soon as practicable. The Lease shall be terminated as of the date specified in the notice and the Lease shall be of no further force and effect, except for rights and obligations that survive termination or expiration of the Lease.
- c) Tenant shall include the covenants of this Section in any agreements or license that it may execute with other parties related to the use of the Premises.
- d) Upon notice to terminate under this Section, the Lease shall terminate and be of no further force and effect, except for Tenant's and Landlord's rights and obligations set out in this Lease specifically related to termination of Tenant's rights in and to the Premises and removal of Tenant's personal property from the Premises. In no event shall Landlord be liable for any claim of damages due to Landlord's assertion of its termination rights.

37. Surrender Upon Termination

- a) Upon expiration or termination of the Lease, Tenant shall deliver all keys to Landlord and surrender the Premises to Landlord in good condition and broom clean. Tenant does not need to restore the Premises due to depreciation and wear from ordinary use for the purposes for which the Premises were let. Any repair that Tenant is required to make in the Lease shall be completed prior to surrender.
- b) Except for Tenant's movable trade fixtures, all fixtures placed upon the Premises shall become the property of Landlord. Landlord may elect to require Tenant to remove any fixtures which would otherwise remain the property of Landlord, and to repair any damage resulting from the removal. If Tenant fails to remove fixtures or make repairs, Landlord may do so and charge the cost to Tenant together with interest and late charges as provided by this Lease from the date of the expenditure.
- c) Tenant shall remove all furnishings, furniture and trade fixtures that remain the property of Tenant. Failure to remove all of Tenant's property shall constitute a failure to vacate and surrender Premises. Property not removed shall be deemed abandoned property and of inconsequential value, and Tenant shall have no further rights therein except as provide below. Landlord may elect to: i) retain or dispose of

the abandoned property as Landlord sees fit; or ii) perfect and foreclose Landlord's lien for damages, including expenses for removal and storage of Tenant's property, under ORS 87.162 et seq. If Tenant fails to vacate and surrender the Premises, Landlord may take legal action to eject Tenant from the Premises. Tenant shall be responsible for all consequential damages to Landlord as a result of Tenant's failure to surrender and vacate the Premises in accordance with the Lease. This clause shall survive the termination of the Lease.

38. Holding Over

Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. If Tenant holds over, Landlord has all the rights and remedies available to a Landlord against a holdover tenant. Landlord may impose on a holdover tenant a term of month-to-month. Holdover tenant shall be obligated for monthly base rent that is equal to one hundred twenty five percent (125%) of the Base Rent being paid upon expiration of the Lease. Holdover tenant shall be subject to all obligations and conditions required of Tenant in this Lease. Landlord shall not be required to perform any work, furnish any materials or make any repairs within the Premises during the holdover period. The holdover tenancy may be terminated by Landlord at will at any time after thirty (30) days written notice to holdover tenant. Landlord shall have the right to further adjust base rent or Additional Rent upon thirty (30) days written notice to the holdover tenant. In the event of holdover beyond June 30th of any year, the holdover tenant shall be responsible for payment of real property taxes for the entire year without proration.

39. Default by Landlord, Remedies

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time. Landlord agrees to perform its obligations within thirty (30) days after receiving written notice from Tenant specifying where and how Landlord has failed to perform its obligations. If the nature of Landlord's obligations is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages.

40. Inability to Perform

Neither party shall be deemed in default for the non-performance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if due to any labor dispute, strike, lockout, civil commotion or operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or other causes beyond the reasonable control of such party, providing such cause is not due to the willful act or neglect of such party.

41. General Provisions

- a) Every covenant in this Lease will be construed to be material, whether or not the covenant expressly provides. No right or remedy or election provided by this Lease shall be deemed exclusive but shall, whenever possible, be cumulative with all other rights and remedies available at law or in equity. Acceptance by Landlord of any Rent or other benefits under this Lease shall not constitute a waiver of any default. Any waiver by Landlord of the strict performance of any of the covenants of this Lease shall not be deemed to be a waiver of subsequent breaches of a different character, occurring either before or subsequent to such waiver, and shall not prejudice Landlord's right to strict performance of the same covenant in the future or of any other covenants of this Lease.
- b) Time is of the essence in this Lease.
- c) There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangement, brochures, advertising, agreement and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord or its agents to Tenant with respect to the subject matter of this Lease, the Premises or the building. There are no representations between Landlord and Tenant, or between any real estate broker and Tenant, other than those contained in the Lease, and all reliance with respect to any representations is solely upon representations contained in this Lease. This Lease shall not be amended or modified except by agreement in writing signed by the parties. A Memorandum of Lease in the form attached hereto as Exhibit D shall be recorded.
- d) If Tenant is a corporation, each individual executing this Lease on behalf of that corporation shall be duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with the bylaws of the corporation, and the corporation warrants and represents that this Lease is binding on the corporation. Tenant shall provide any corporate authorization documents as may be requested by Landlord.
- e) Upon Tenant paying the Rent and completely observing and fully performing all of the covenants, conditions and provisions required of Tenant, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all terms and conditions of this Lease. This subsection is not applicable to a holdover tenant.
- f) If there be more than one Tenant, the obligations imposed hereunder shall be joint and several.
- g) Landlord and Tenant are the only parties to this Lease and are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, or indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of the Lease.

- h) Nothing in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venturer or other association between Landlord and Tenant in connection with the business carried on by Tenant under this Lease, other than a non-residential landlord and tenant relationship. Landlord shall have no obligation with respect to Tenant's debts or other liabilities.
- i) If any portion of this Lease is ruled invalid, void or illegal by an order of the court, the remainder of the Lease shall remain in full force and effect.
- j) In addition to any specific covenant in the Lease and upon Tenant's sole expense, Tenant shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county, and municipal authorities, now in force or which may hereafter be in force during the term of this Lease. Upon request, Tenant shall verify to Landlord annually that Tenant is in compliance with all tax reporting and payment requirements of the Internal Revenue Services, Oregon Department of Revenue, and local taxing authorities, including the City of Portland's Bureau of Revenues (as to Portland Business License Law and Multnomah County Business Income Tax Law).
- k) This Lease shall be governed by the laws of the State of Oregon. Any litigation arising under this Lease shall occur in the Multnomah County Circuit Court.
- l) This Lease will be construed with equal weight for the rights of both parties, the terms and conditions of this Lease having been determined by fair negotiation with due consideration of the rights and requirements of both parties, and any ambiguities shall not be construed for or against either party.
- m) This Lease may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. The Parties agree that this transaction, including any amendments, may be conducted by electronic means, including the use of electronic signatures.
- n) Americans With Disabilities Compliance
 - i) Tenant shall comply, at Tenant's sole expense, with the Americans With Disabilities Act (ADA), including any duty the ADA may impose on Landlord or Tenant as a result of Tenant's use, occupation or alteration of the Premises.
 - ii) Within ten (10) days after receipt, Landlord and Tenant shall advise the other party in writing, and provide the other party with copies (as applicable) of any notices alleging violation of or noncompliance with the ADA relating to the Premises or any portion of the building to which Tenant has a right to use due to this Lease, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to the

Premises or any portion of the building to which Tenant has a right to use due to this Lease.

- iii) In the event of any assignment or sublet of the Premises, Tenant and Tenant's assignee or subtenant shall agree to comply with the ADA, at their sole expense, and agree to be jointly liable under this Lease for any duty the ADA may impose upon Tenant or Tenant's assignee or subtenant as a result of their use, occupation or alteration of the Premises. Landlord reserves the right to withhold consent to a proposed assignment or sublet if the assignment or sublease fails to contain provisions required by this Lease to ensure ADA compliance at the expenses of Tenant, Tenant's assignee or subtenant. Landlord further reserves the right to withhold consent to a proposed assignment or sublet if the proposed use, occupation or alteration by the assignee or subtenant shall require alterations to the Premises to comply with the ADA which are inconsistent with Landlord's management interests.
- o) No consent or approval by either party hereto shall be unreasonably conditioned, withheld or delayed.
- p) The terms, covenants and conditions contained herein shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties.

42. Estoppel Statement

Upon request from a party, the other party shall execute, acknowledge and deliver a written statement stating the date this Lease was executed, the Commencement Date, the expiration date, the date Tenant entered into occupancy of the Premises, the amount of Base Rent and the date to which Base Rent has been paid, and certifying that: i) the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (or specifying the date and terms of agreement so affecting this Lease); ii) the Lease represents the entire agreement between the parties as to the Premises; iii) that all conditions or obligations required to be performed by either party have been satisfied; iv) that all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; v) that there are no existing defenses or offsets which a party has against the enforcement of this Lease by the other party; and, vi) that no Base Rent has been paid more than one month in advance. It is intended that a statement delivered pursuant to this Section may be relied upon by a prospective purchaser of a party's interest, subtenant of the Premises, or assignee of any mortgage upon a party's interest, or by any entity reviewing the City for bond funding or other municipal financing.

43. Tenant's Representation

Notwithstanding the requirement for Tenant to observe and comply with all federal, state and local laws in general, Tenant represents to Landlord that, (i) neither Tenant nor any person or entity that directly owns a 10% or greater equity interest in Tenant nor any of

Tenant's officer, director or managing member or agent is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under Executive Order 13224 (the "Executive Order"), signed on September 24, 2001, and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism" or other governmental action, (ii) that Tenant's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time) or the Money Laundering Control Act of 1986 (18 U.S.C. Sec. 1956 et seq and as amended), and (iii) that throughout the term of this Lease, Tenant shall comply with the Executive Order and with the Money Laundering Acts. Prior to execution of this Lease, and as may be requested by Landlord from time to time, Tenant shall identify and provide contact information of those persons who own a 10% or greater equity interest in Tenant, and of Tenant's officers, directors or managing members or agents, and citizenship status if other than U.S. citizens or entities. Tenant shall have a continuing duty to ensure that its equity owners, officers, directors or managing members or agents are not Prohibited Persons.

44. Notices

Any notices required or permitted by law or this Lease to be given to either party shall be effective upon mailing by United States certified mail, addressed as specified below, or to such other address as either party may specify to the other in writing from time to time during the term of this Lease.

To Landlord:	CITY OF PORTLAND Office of Management and Finance Facilities Services Property Management 1120 SW Fifth Avenue, Room 1204 Portland, Oregon 97204
To Tenant:	WHITE STAG MASTER SUBTENANT, LLC 70 NW Couch Street, Suite 207 Portland, OR 97209
With a copy to:	David P. Weiner, Esq. Greene & Markley, PC 1515 SW Fifth Avenue, Suite 600 Portland, OR 97201

[Remainder of this page left intentionally blank]

Landlord and Tenant have executed this Lease in duplicate on the day and year written, and the corporate signature of Tenant being by authority of the Board of Directors of the executing corporation.

**WHITE STAG BLOCK MASTER
SUBTENANT, LLC**

CITY OF PORTLAND, LANDLORD

By: Venerable Group, Inc.
its Manager

By: _____
Art DeMuro, President

Date _____

Jeffrey B. Baer, Director
Bureau of Internal Business Services
Office of Management and Finance
Date _____

Fed. Tax ID No. _____
Portland Business License No. _____

APPROVED AS TO FORM

City Attorney

EXHIBIT A

**Location of The Premises
(attached)**

EXHIBIT A
LEGAL DESCRIPTION
RETAIL SPACE LEASE TRACT
PORTLAND DEVELOPMENT COMMISSION
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street, SW First Avenue, and NW First Avenue, as situated beneath the Burnside Bridge and defined by the exterior dimensions of a room designed for retail space, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of the plat of Couch's Addition to the City of Portland, Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine), said face also being the exterior face of the South wall of the herein described Retail Space Tract in the building situated beneath the Burnside bridge, on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract; thence, leaving said West right-of-way line and coincident with said exterior wall face, North $88^{\circ}42'13''$ East, 2.10 feet to the exterior face of the end of a concrete curb; thence coincident with the exterior face of said curb the following three (3) courses and distances:

(1) South $89^{\circ}58'49''$ East, 3.19 feet to a point on a 196.00 foot radius non-tangent curve left, the radius point of which bears North $77^{\circ}04'27''$ West; thence (2) Coincident with said curve left, through a central angle of $25^{\circ}37'35''$, an arc distance of 87.66 feet (the long chord of which bears North $00^{\circ}06'46''$ East, 86.94 feet); thence (3) North $89^{\circ}58'49''$ West, 3.33 feet to a point on the North exterior wall face of the herein described Retail Space Tract; thence coincident with exterior walls of said Retail Space Tract the following four (4) courses and distances:
 (1) North $88^{\circ}42'51''$ West, 17.50 feet; thence
 (2) South $00^{\circ}01'11''$ West, 85.18 feet; thence
 (3) North $88^{\circ}42'30''$ East, 8.45 feet; thence
 (4) South $00^{\circ}01'11''$ West, 2.54 feet to a point on the projected interior face of said North wall of said ATM room; thence coincident with said interior wall face, North $88^{\circ}42'30''$ East, 6.95 feet to the **POINT OF BEGINNING**.

The above described tract contains 2,074 square feet, more or less.

Tract is shown on page 4 of Exhibit "A"

EXHIBIT A
LEGAL DESCRIPTION
 MULTNOMAH COUNTY BRIDGE ACCESS TRACT
 PORTLAND DEVELOPMENT COMMISSION
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
 MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of Lot 8, Block 11 and Lot 1, Block 12 of Couch's Addition to the City of Portland, recorded in Book 1, Page 47, Multnomah County plat records, and also being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of said plat, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 150.55 feet to a point on the face of the abutment wall for the West end of the Burnside Bridge and the **POINT OF BEGINNING** of the herein described tract; thence leaving said right-of-way line and coincident with said abutment wall, South $89^{\circ}34'33''$ East, 0.81 feet to the exterior building face on SW First Avenue as situated beneath the West end of the Burnside bridge; thence, coincident with said building face, North $00^{\circ}01'11''$ East, 4.02 feet; thence leaving said exterior building face and coincident with interior walls of the building situated beneath the West end of the Burnside Bridge, the following five (5) courses and distances:
 (1) South $87^{\circ}43'20''$ West, 7.75 feet; thence (2) North $00^{\circ}01'11''$ East, 9.25 feet; thence (3) South $88^{\circ}42'30''$ West, 8.45 feet; thence (4) North $00^{\circ}01'11''$ East, 85.18 feet; thence (5) South $88^{\circ}42'51''$ East, 14.95 feet to the exterior face of said building; thence coincident with said exterior building face North $00^{\circ}01'11''$ East, 15.75 feet to the face of the abutment wall for the West end of the Burnside bridge; thence coincident with said abutment wall the following three (3) courses and distances:
 (1) North $88^{\circ}58'26''$ West, 21.01 feet to the Northwest corner of said abutment wall; thence (2) South $00^{\circ}02'04''$ East, 113.58 feet to the Southwest corner of said abutment wall; thence (3) South $89^{\circ}34'33''$ East, 21.35 feet to the **POINT OF BEGINNING** of the herein described tract.

The North, West, and South boundaries of the above described tract are defined by the existing bridge abutment walls for the West end of the Burnside Bridge. These walls are not plumb or straight; therefore bearings and distances listed are calculated holding a best fit solution from field measurements in May, 2009.

The above described tract contains 1,055 square feet, more or less.

Tract is shown on page 5 of Exhibit "A"

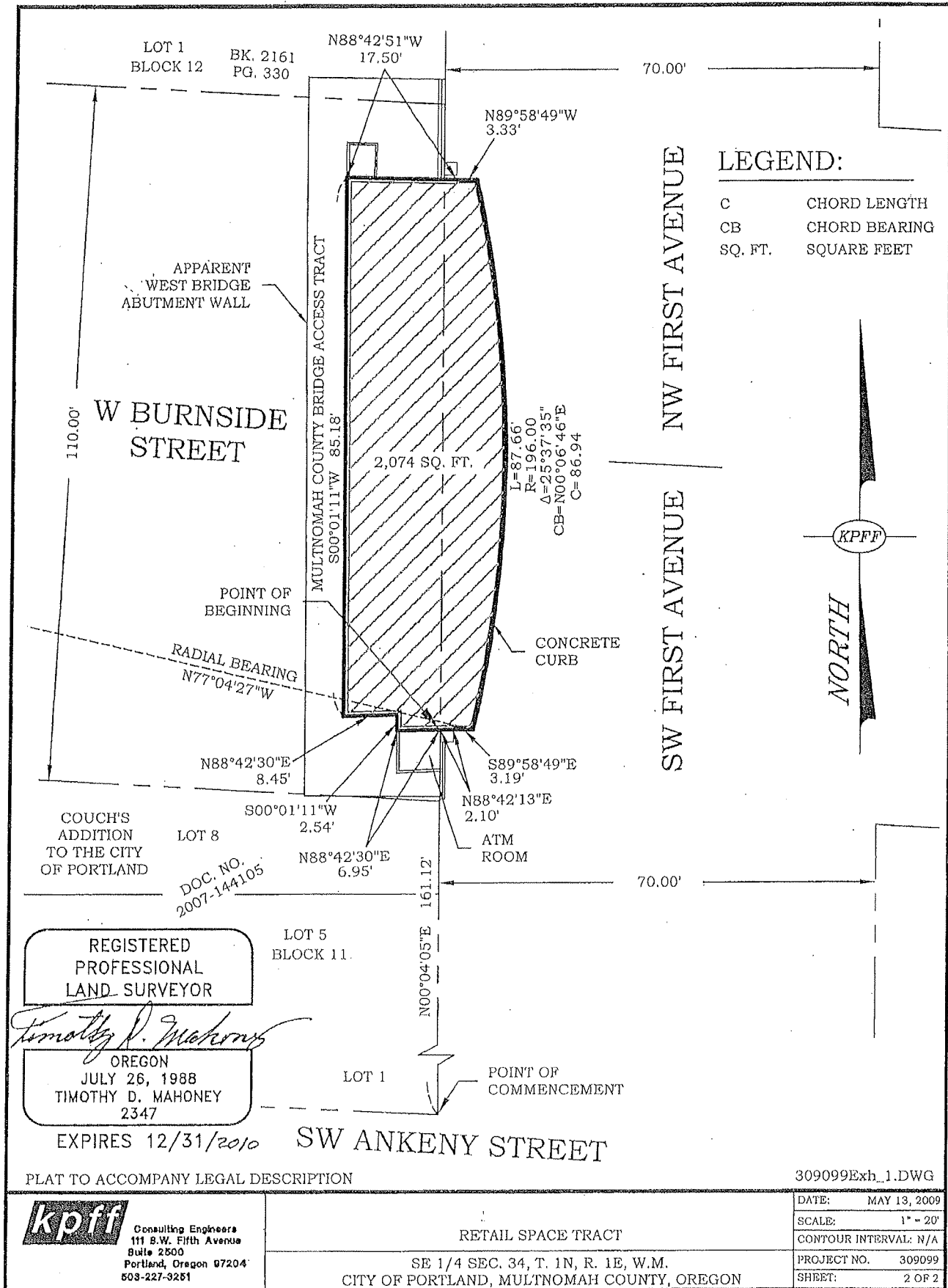
EXHIBIT A
LEGAL DESCRIPTION
ATM ROOM TRACT
PORTLAND DEVELOPMENT COMMISSION
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
MAY 13, 2009

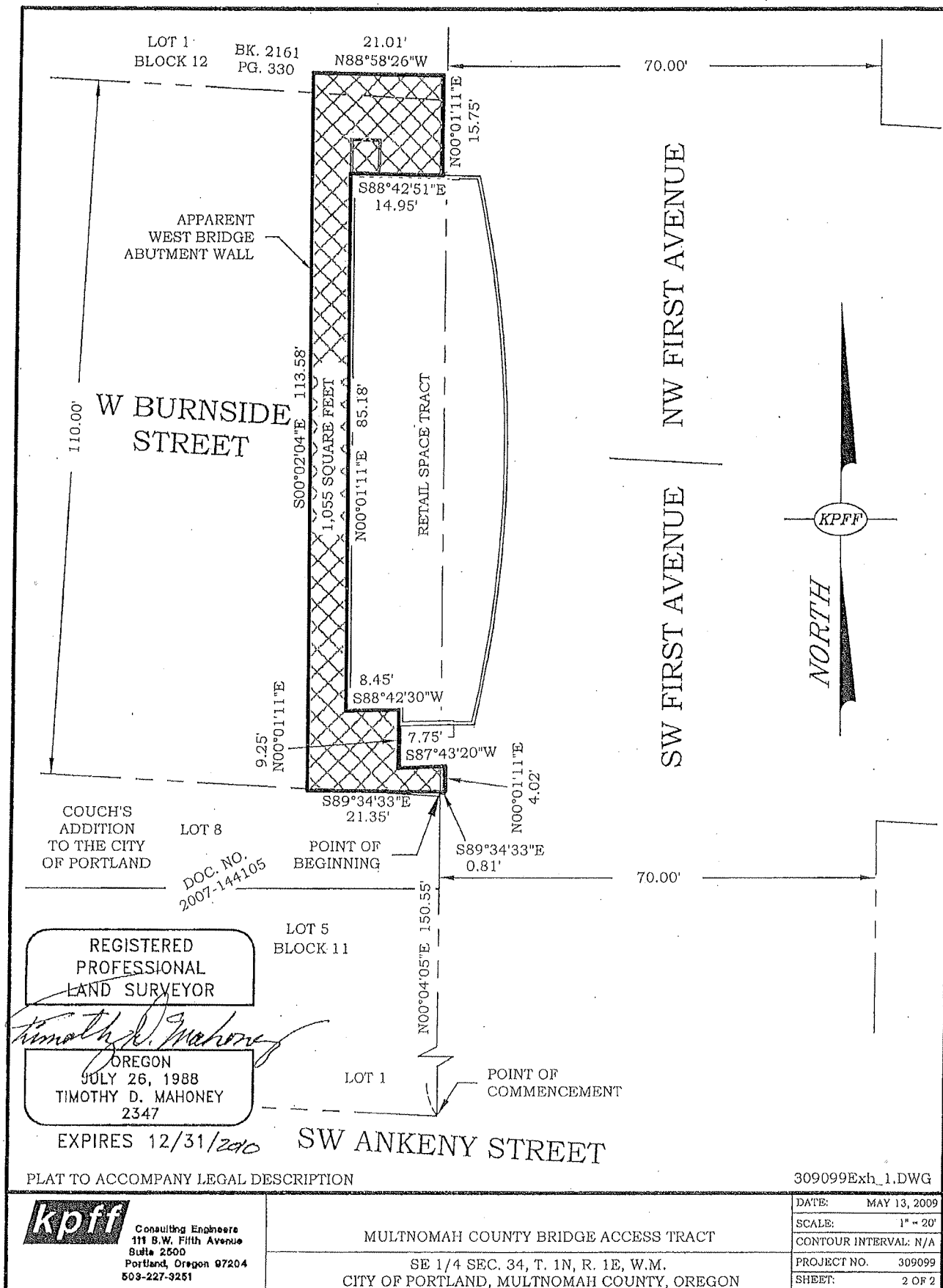
EXCLUDING THEREFROM:

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11, of the plat of Couch's Addition to the City of Portland, Recorded in Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; Thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine) in the building situated beneath the Burnside bridge on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract;
Thence North $88^{\circ}42'30''$ East, 0.80 feet to a point on the exterior face of said building; thence coincident with said exterior face of said building South $00^{\circ}01'11''$ West, 6.57 feet to a point on the projection of the exterior face of the South wall of said ATM room; thence coincident with said exterior wall face South $87^{\circ}43'20''$ West, 7.75 feet to the Southwest exterior corner of said ATM room; thence coincident with the exterior face of the West wall of said ATM room North $00^{\circ}01'11''$ East, 6.71 feet to a point on the projection of said interior face of the North wall of said ATM room; thence coincident with said face North $88^{\circ}42'30''$ East, 6.95 feet to the **POINT OF BEGINNING**.

The above described tract contains 51 square feet, more or less.
Tract is shown on page 6 of Exhibit "A".





REGISTERED PROFESSIONAL LAND SURVEYOR

Timothy D. Mahoney

OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

PLAT TO ACCOMPANY LEGAL DESCRIPTION

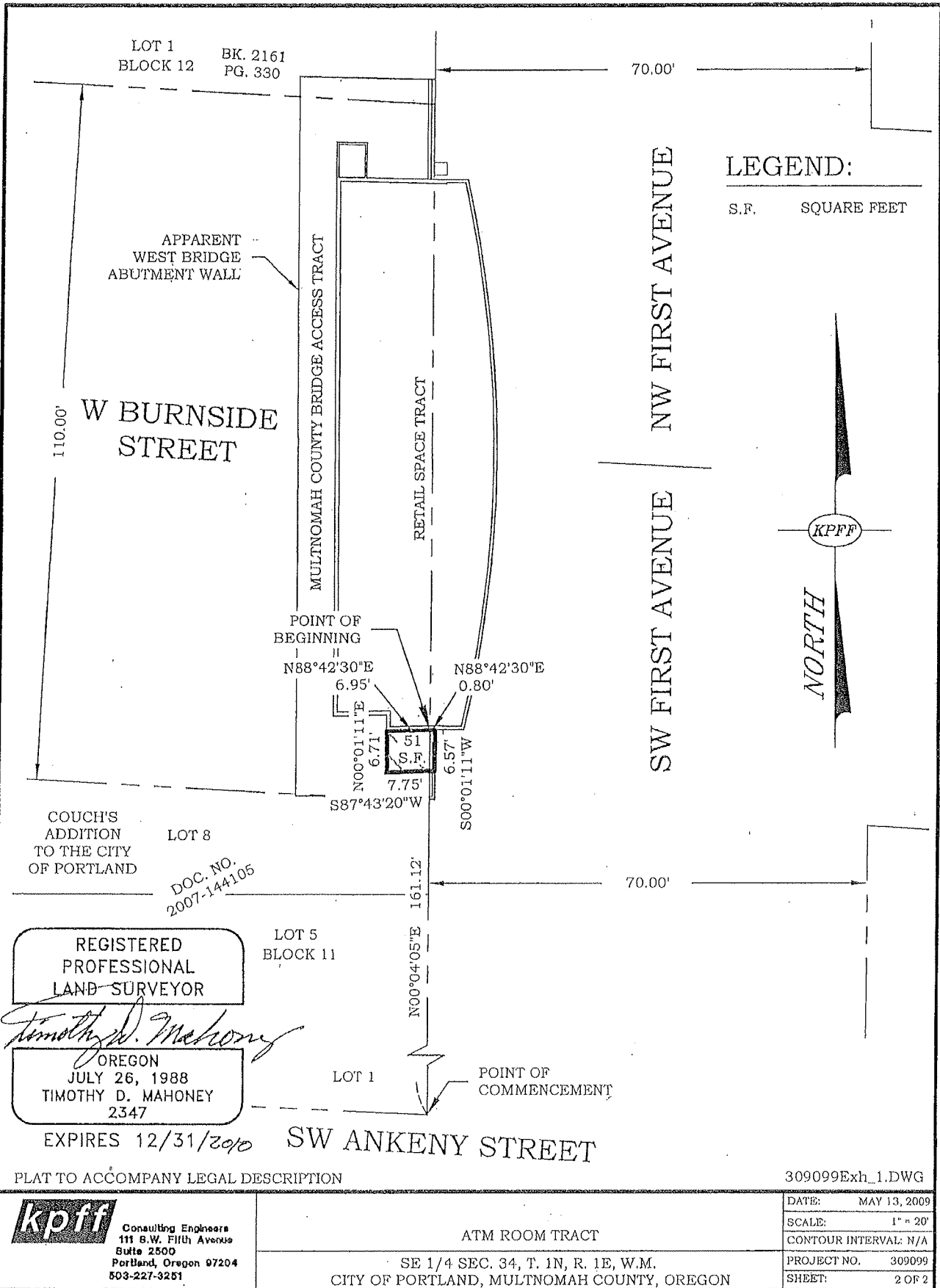
309099Exh_1.DWG

kpff
Consulting Engineers
111 B.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

MULTNOMAH COUNTY BRIDGE ACCESS TRACT

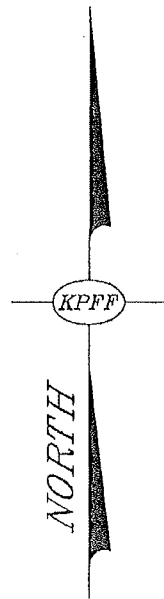
SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2



LEGEND:

S.F. SQUARE FEET



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Timothy D. Mahoney

OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff Consulting Engineers
111 S.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

ATM ROOM TRACT
SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.:	309099
SHEET:	2 OF 2

EXHIBIT B

**Intergovernmental Agreement between
Portland Development Commission and Multnomah County
related to the Burnside Bridge West (Max Retail Project) entitled
“Agreement Regarding Bridge Permit –Burnside Bridge West (MAX Retail Project)”**

**AGREEMENT REGARDING BRIDGE PERMIT
Burnside Bridge West (MAX Retail Project)**

This is an Agreement ("Agreement") between the City of Portland, acting by and through the Portland Development Commission ("PDC") and Multnomah County ("County"), pursuant to authority granted in ORS Chapter 190.

RECITALS

- a. The area identified in Exhibits 1 and 2 is City of Portland right of way.
- b. The County is required under ORS 382.305 and 382.310 to operate, maintain, repair, and if necessary, to reconstruct the Burnside Bridge and its approaches, part of which is located in the area identified in Exhibits 1 and 2.
- c. PDC desires to construct improvements in the area identified on Exhibits 1 and 2 as Retail Space (the "Retail Space").
- d. In order to complete the construction of the Retail Space, PDC must obtain a permit issued by the County (the "Bridge Permit").
- e. The County has required, as a condition of issuing the Bridge Permit, that the parties set forth in this Agreement clarification of certain rights and responsibilities of the parties.

AGREEMENT

In consideration for the County issuing the Bridge Permit, the parties agree as follows:

1. The County shall at all times, including during construction of the Retail Space improvements, have the right to enter the area shown in blue on Exhibits 1 and 2 ("Bridge Maintenance Access Area") for the purpose of inspecting, maintaining, repairing and reconstructing the Burnside Bridge as County in its sole discretion shall deem necessary and appropriate. Access shall be through the access doors labeled on Exhibit 1 as "Bridge Maintenance Access." County shall also have access over the Retail Space through removable panels over the Retail Space in the area shown in yellow on Exhibit 2. County shall also have the right upon 48 hours notice to PDC to inspect the bridge columns located inside the Retail space. PDC shall not cover or otherwise obstruct the bridge columns, except for painting.
2. If the County determines that there exists an emergency requiring immediate access to the Retail Space or the Bridge Maintenance Access Area for repair or reconstruction work on the Burnside Bridge, then Multnomah County shall have the right to enter such areas, without notice, at any time to perform such work. County shall perform all work in a good and workmanlike manner. County shall have no obligation to restore or repair any improvements removed or damaged in the performance of the County's work. In the performance of the County's work, County shall use such care to protect the property of PDC and PDC's contractors, agents, employees and tenants as is reasonable under the circumstances. Except in the event of an emergency, the County shall, to the extent permitted under the

circumstances, consult with PDC or its successors to i) determine the least intrusive manner for the County to perform its work, and ii) coordinate efforts during bridge work to provide PDC or its successors with reasonable opportunity to employ protective measures in connection with the Retail Space.

3. PDC shall include the following language in all agreements, to which it is a party, which will result in for use or occupancy of the Retail Space whether by sale, donation, lease, sublease or other agreement. If PDC shall fail to insert such language in any such agreement, PDC shall, to the extent permissible under the Oregon Constitution and subject to the limitations of the Oregon Tort Claims Act, hold harmless, indemnify and defend the County, its officers, employees and agents from and against all claims, demands, penalties, and causes of action of any kind or character (including the cost of defense thereof, including attorney fees) relating to or arising from any claim by any tenant or other user or occupant the Retail Space against the County if the claim, demand, penalty or cause of action claim would have been waived if such clause had been included in the agreement:

“[Third Party]’s rights in the premises are subject to the rights of Multnomah County to enter the premises to inspect maintain, repair or reconstruct the Burnside Bridge. Multnomah County shall have the right upon 48 hours notice to [Third Party] to inspect the bridge columns located inside the premises. [Third Party] shall not cover or otherwise obstruct the bridge columns, except for painting. If Multnomah County determines that there exists an emergency requiring immediate access to the premises for repair or reconstruction work on the Burnside Bridge then Multnomah County shall have the right to enter the premises, without notice, at any time to perform such work. [Third Party] shall provide the County Bridge Shop (503) 988-3757 Ext. 221 with a name and phone number of a representative who can be reached at any time in the event of an emergency requiring access to the premises. Multnomah County shall endeavor to provide [Third Party]’s representative with as much advanced notice as is possible under the circumstances before entering the premises. If Multnomah County determines that non-emergency maintenance, repair, reconstruction work or work to upgrade the Burnside Bridge requires [Third Party] to vacate the premises, then upon 20 days written notice to [Third Party] from Multnomah County, [Third Party] shall vacate and remove all of [Third Party]’s personal property, fixtures and other improvements from the premises for such period as is reasonably necessary for County to complete the required work. County shall have the right to remove such part of the premises, including [Third Party]’s improvements and personal property as may be reasonably necessary to accomplish the required work. Multnomah County shall have no obligation to restore or repair any improvements removed or damaged in the performance of the County’s work. [Third Party] waives any claim it may have against Multnomah County arising out of Multnomah County’s entry on the premises for purposes described above including any claim for restoration of the premises or [Third Party]’s improvements or, for loss of [Third Party]’s real or personal

property so long as Multnomah County shall have performed its work in a good and workmanlike manner and exercises such care to protect the premises improvements and the property of the [Third Party] as is reasonable under the circumstances. [Third Party] further waives any claim against Multnomah County for disruption of [Third Party]'s business, and for [Third Party]'s lost profits or for any other loss incurred by [Third Party] as a result of such entry or as a result of [Third Party] being required to vacate the premises pursuant to the terms of this paragraph. Multnomah County is a third party beneficiary of the provisions of this paragraph and shall have the right to enforce the provisions of this paragraph against [Third Party] in any claim by [Third Party] against Multnomah County. If [Third Party] shall enter into an agreement to sell, donate, lease or sublease the premises, Third Party shall include in the agreement the language set forth in this paragraph.

4. PDC shall use its best efforts to record in the official real estate records of Multnomah County a covenant, condition and restriction subjecting the Retail Space to requirements and conditions substantially similar to those set forth in paragraphs 1 and 2 above.
5. **TERM.** The term of this Agreement shall be perpetual unless mutually terminated by the parties.
6. **NOTICES AND COMMUNICATIONS.** Communications between the parties regarding this Agreement shall be directed to the party's respective contact person as indicated below:

To the county:

Attn: County Bridge Shop Manager
 1402 SE Water Avenue
 Portland, Oregon 97214
 Phone: (503) 988 3757(x 223)
 Fax: (503) 988-3812

Multnomah County Attorney
 501 SE Hawthorne, Suite 500
 Portland, Oregon 97204
 Phone: (503) 988-3138
 Fax: (503) 988-3377

To PDC:

Attn: Kevin Brake
 Portland Development Commission
 222 NW 5th Ave
 Portland, Oregon 97209
 Phone: (503) 823-3200
 Fax: (503) 823-3368

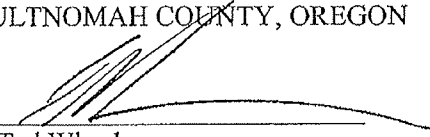
E-mail: brakek@pdc.us

With a copy to:

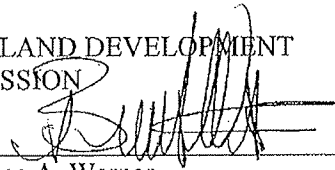
Office of General Counsel
Portland Development Commission
222 NW 5th Ave
Portland, Oregon 97209
Phone: (503) 823-3200
Fax: (503) 823-3368

Official communications regarding this Agreement shall be by e-mail or in writing to the above-named persons or their designees.

MULTNOMAH COUNTY, OREGON

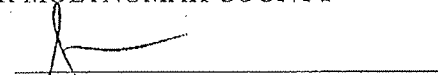
By 
Ted Wheeler
Chair

PORTLAND DEVELOPMENT
COMMISSION

By 
Bruce A. Warner
Executive Director

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

By: 
John S. Thomas
Deputy County Attorney

Approved as to form:


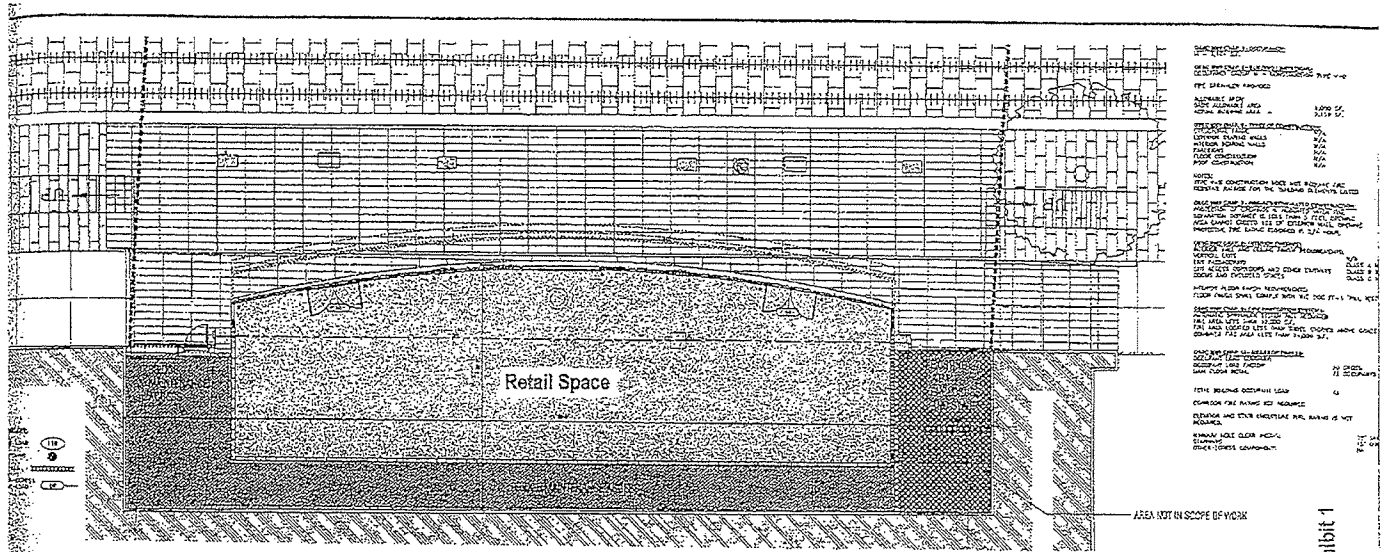

Michael J. Grieser
Assistant General Counsel

Exhibit 1

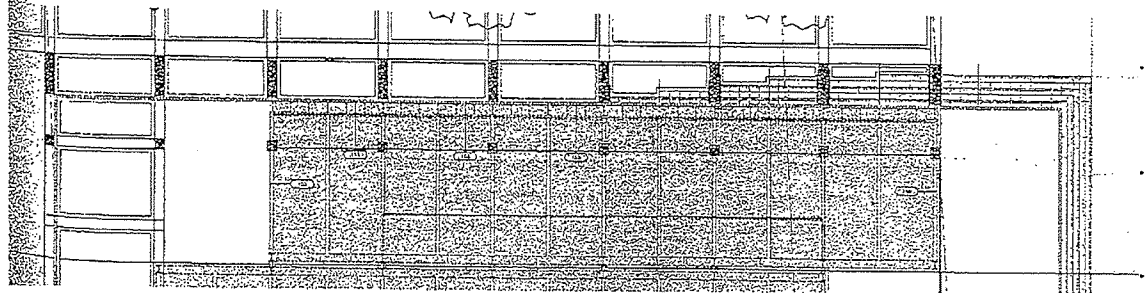


- REVISIONS**
- | NO. | DATE | DESCRIPTION |
|-----|------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
- GENERAL NOTES**
- 1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FOR THE WORKMANSHIP TO BE DONE.
 - 2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 3. ALL CONSTRUCTION SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 4. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 5. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 6. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.

EXHIBIT B

PAGE 5 OF 6

STATION - FIRE LIFE SAFETY PLAN



- REVISIONS**
- | NO. | DATE | DESCRIPTION |
|-----|------|-------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
- GENERAL NOTES**
- 1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FOR THE WORKMANSHIP TO BE DONE.
 - 2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 3. ALL CONSTRUCTION SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 4. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 5. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.
 - 6. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE ORDINANCES.

Exhibit 1

5

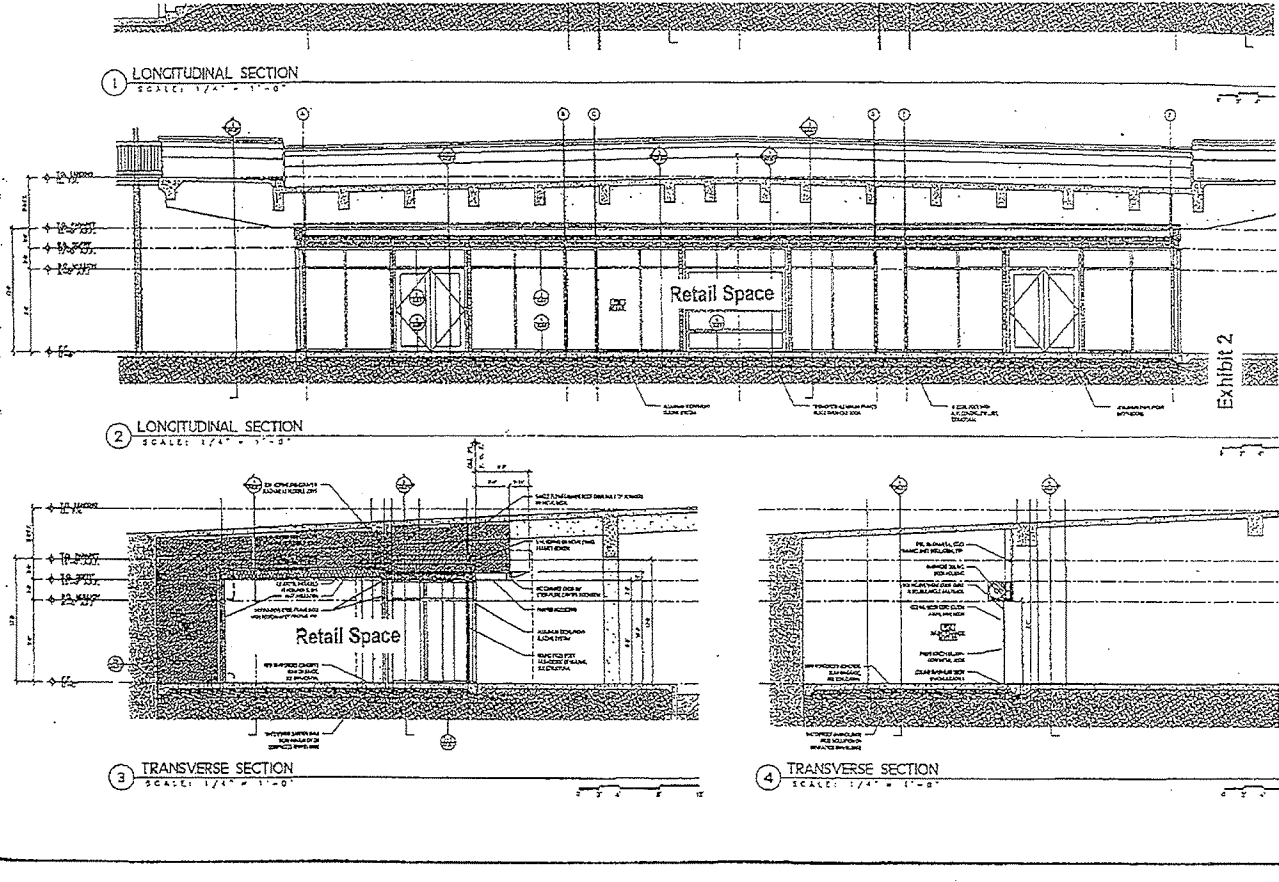


Exhibit 2

EXHIBIT C**Prohibited Uses**

1. Except for any educational purposes or use, any business or use that is not open to the public with people coming and going during business hours normally found in businesses in downtown Portland, Oregon.
2. A business with a principal purpose of storage.
3. A business that discriminates or violates civil rights.
4. A business engaged in gaming or adult entertainment.
5. An organization organized with the purpose of overthrowing the government, or engaged in political or election activities (e.g., political action committee, campaign, ballot measure, initiative or referendum).
6. A business selling alcoholic beverages.
7. A business whose principal purpose is the sale of tobacco products.
8. A business selling firearms.
9. A business commonly known as a "head shop".

EXHIBIT D

Memorandum of Lease

After recording return to:
 David P. Weiner, Esq.
 1515 SW Fifth Avenue, Suite 600
 Portland, OR 97201

Send all Tax Statements to:
 White Stag Block Master Subtenant, LLC
 70 NW Couch Street, Suite 207
 Portland, OR 97209

MEMORANDUM OF LEASE

By instrument dated _____, 2010, the **City of Portland**, by and through its Office of Management and Finance, ("Landlord") leased to **White Stag Block Master Subtenant, LLC** ("Tenant") the real property described on Exhibit "A" attached hereto and incorporated herein (the "Lease")

This Memorandum is executed to evidence and confirm the Lease referred to above, to which reference is made for its terms and conditions, which include a term commencing on _____ and ending on _____, unless renewed pursuant to the terms of the Lease.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease this ____ day of _____, 2010.

CITY OF PORTLAND

WHITE STAG BLOCK MASTER
SUBTENANT, LLC

 Jeffrey B. Baer, Director
 Bureau of Internal Business Services
 Office of Management and Finance
LANDLORD

By: Venerable Group, Inc.
 its Manager

By: _____
 Art DeMuro, President
TENANT

Exhibit A

Legal Description of Premises

EXHIBIT A
LEGAL DESCRIPTION
 RETAIL SPACE LEASE TRACT
 PORTLAND DEVELOPMENT COMMISSION
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
 MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street, SW First Avenue, and NW First Avenue, as situated beneath the Burnside Bridge and defined by the exterior dimensions of a room designed for retail space, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of the plat of Couch's Addition to the City of Portland, Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North 00°04'05" East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine), said face also being the exterior face of the South wall of the herein described Retail Space Tract in the building situated beneath the Burnside bridge, on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract; thence, leaving said West right-of-way line and coincident with said exterior wall face, North 88°42'13" East, 2.10 feet to the exterior face of the end of a concrete curb; thence coincident with the exterior face of said curb the following three (3) courses and distances:

(1) South 89°58'49" East, 3.19 feet to a point on a 196.00 foot radius non-tangent curve left, the radius point of which bears North 77°04'27" West; thence (2) Coincident with said curve left, through a central angle of 25°37'35", an arc distance of 87.66 feet (the long chord of which bears North 00°06'46" East, 86.94 feet); thence (3) North 89°58'49" West, 3.33 feet to a point on the North exterior wall face of the herein described Retail Space Tract; thence coincident with exterior walls of said Retail Space Tract the following four (4) courses and distances:

(1) North 88°42'51" West, 17.50 feet; thence
 (2) South 00°01'11" West, 85.18 feet; thence
 (3) North 88°42'30" East, 8.45 feet; thence
 (4) South 00°01'11" West, 2.54 feet to a point on the projected interior face of said North wall of said ATM room; thence coincident with said interior wall face, North 88°42'30" East, 6.95 feet to the **POINT OF BEGINNING**.

The above described tract contains 2,074 square feet, more or less.

Tract is shown on page 4 of Exhibit "A"

EXHIBIT A
LEGAL DESCRIPTION
MULTNOMAH COUNTY BRIDGE ACCESS TRACT
PORTLAND DEVELOPMENT COMMISSION
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
MAY 13, 2009

A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of Lot 8, Block 11 and Lot 1, Block 12 of Couch's Addition to the City of Portland, recorded in Book 1, Page 47, Multnomah County plat records, and also being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11 of said plat, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 150.55 feet to a point on the face of the abutment wall for the West end of the Burnside Bridge and the **POINT OF BEGINNING** of the herein described tract; thence leaving said right-of-way line and coincident with said abutment wall, South $89^{\circ}34'33''$ East, 0.81 feet to the exterior building face on SW First Avenue as situated beneath the West end of the Burnside bridge; thence, coincident with said building face, North $00^{\circ}01'11''$ East, 4.02 feet; thence leaving said exterior building face and coincident with interior walls of the building situated beneath the West end of the Burnside Bridge, the following five (5) courses and distances:

(1) South $87^{\circ}43'20''$ West, 7.75 feet; thence (2) North $00^{\circ}01'11''$ East, 9.25 feet; thence (3) South $88^{\circ}42'30''$ West, 8.45 feet; thence (4) North $00^{\circ}01'11''$ East, 85.18 feet; thence (5) South $88^{\circ}42'51''$ East, 14.95 feet to the exterior face of said building; thence coincident with said exterior building face North $00^{\circ}01'11''$ East, 15.75 feet to the face of the abutment wall for the West end of the Burnside bridge; thence coincident with said abutment wall the following three (3) courses and distances:
(1) North $88^{\circ}58'26''$ West, 21.01 feet to the Northwest corner of said abutment wall; thence
(2) South $00^{\circ}02'04''$ East, 113.58 feet to the Southwest corner of said abutment wall; thence
(3) South $89^{\circ}34'33''$ East, 21.35 feet to the **POINT OF BEGINNING** of the herein described tract.

The North, West, and South boundaries of the above described tract are defined by the existing bridge abutment walls for the West end of the Burnside Bridge. These walls are not plumb or straight; therefore bearings and distances listed are calculated holding a best fit solution from field measurements in May, 2009.

The above described tract contains 1,055 square feet, more or less.

Tract is shown on page 5 of Exhibit "A"

EXHIBIT A
LEGAL DESCRIPTION
ATM ROOM TRACT
PORTLAND DEVELOPMENT COMMISSION
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON
MAY 13, 2009

EXCLUDING THEREFROM:

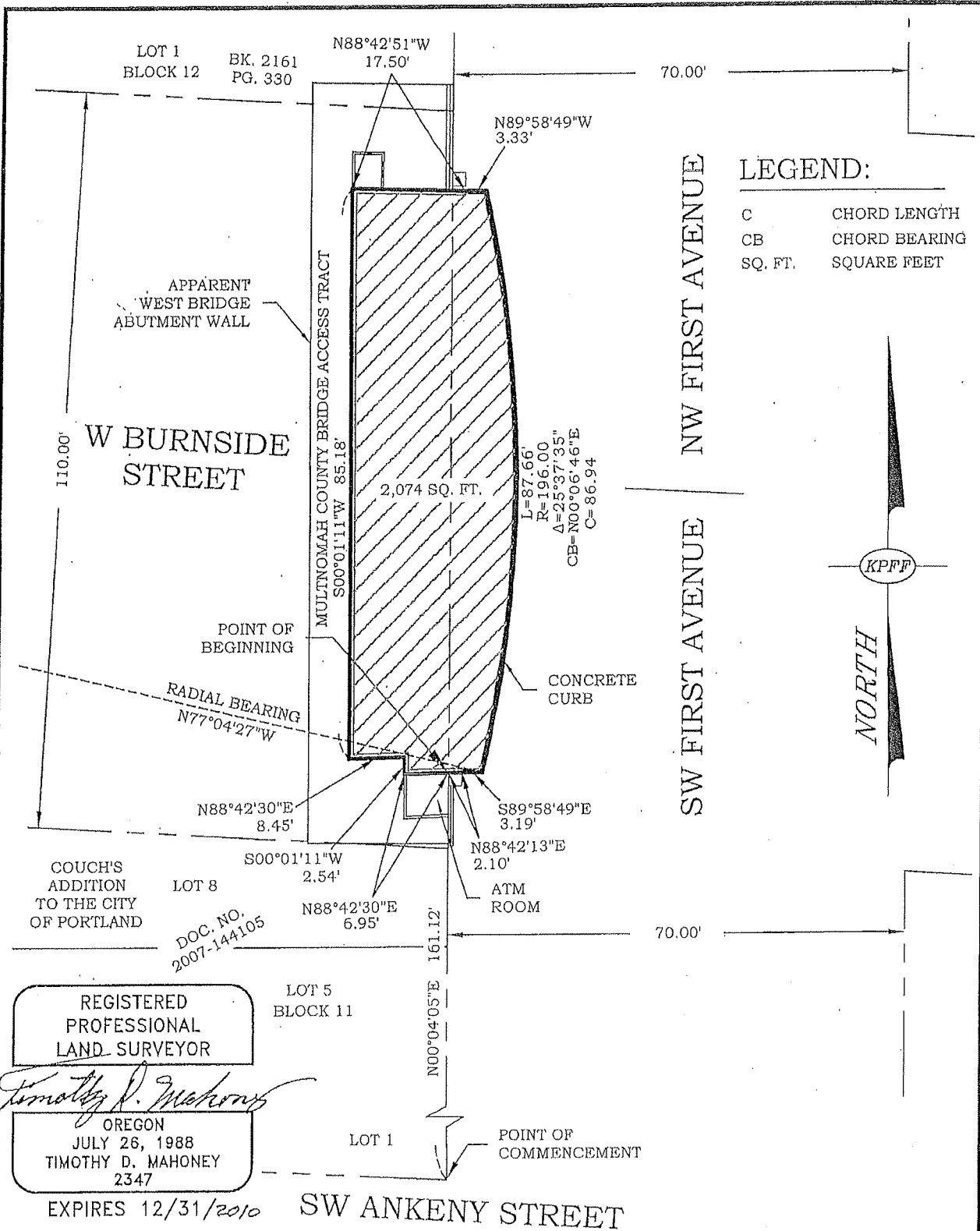
A tract of land situated in the West one-half of the Southeast one-quarter of Section 34, Township 1 North, Range 1 East, of the Willamette Meridian, City of Portland, Multnomah County, Oregon, being a portion of the public right-of-ways described as West Burnside Street and SW First Avenue, as situated beneath the Burnside Bridge, being more particularly described as follows:

COMMENCING at the Southeast corner of Lot 1, Block 11, of the plat of Couch's Addition to the City of Portland, Recorded in Book 1, Page 47, Multnomah County plat records, said point also being the intersection of the North right-of-way line of SW Ankeny Street and the West right-of-way line of SW First Avenue; Thence, coincident with the East line of said Block 11 and the West right-of-way line of said SW First Avenue, North $00^{\circ}04'05''$ East, 161.12 feet to a point on the interior face of the North wall of the room containing an ATM (automated teller machine) in the building situated beneath the Burnside bridge on the West side of SW First Avenue and the **POINT OF BEGINNING** of the herein described tract;

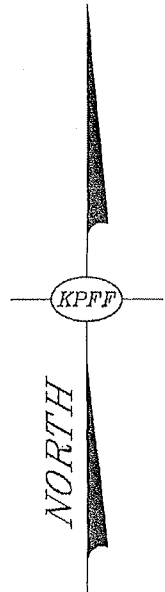
Thence North $88^{\circ}42'30''$ East, 0.80 feet to a point on the exterior face of said building; thence coincident with said exterior face of said building South $00^{\circ}01'11''$ West, 6.57 feet to a point on the projection of the exterior face of the South wall of said ATM room; thence coincident with said exterior wall face South $87^{\circ}43'20''$ West, 7.75 feet to the Southwest exterior corner of said ATM room; thence coincident with the exterior face of the West wall of said ATM room North $00^{\circ}01'11''$ East, 6.71 feet to a point on the projection of said interior face of the North wall of said ATM room; thence coincident with said face North $88^{\circ}42'30''$ East, 6.95 feet to the **POINT OF BEGINNING**.

The above described tract contains 51 square feet, more or less.

Tract is shown on page 6 of Exhibit "A".



LEGEND:
 C CHORD LENGTH
 CB CHORD BEARING
 SQ. FT. SQUARE FEET



REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Timothy D. Mahoney
 OREGON
 JULY 26, 1988
 TIMOTHY D. MAHONEY
 2347

EXPIRES 12/31/2010

SW ANKENY STREET

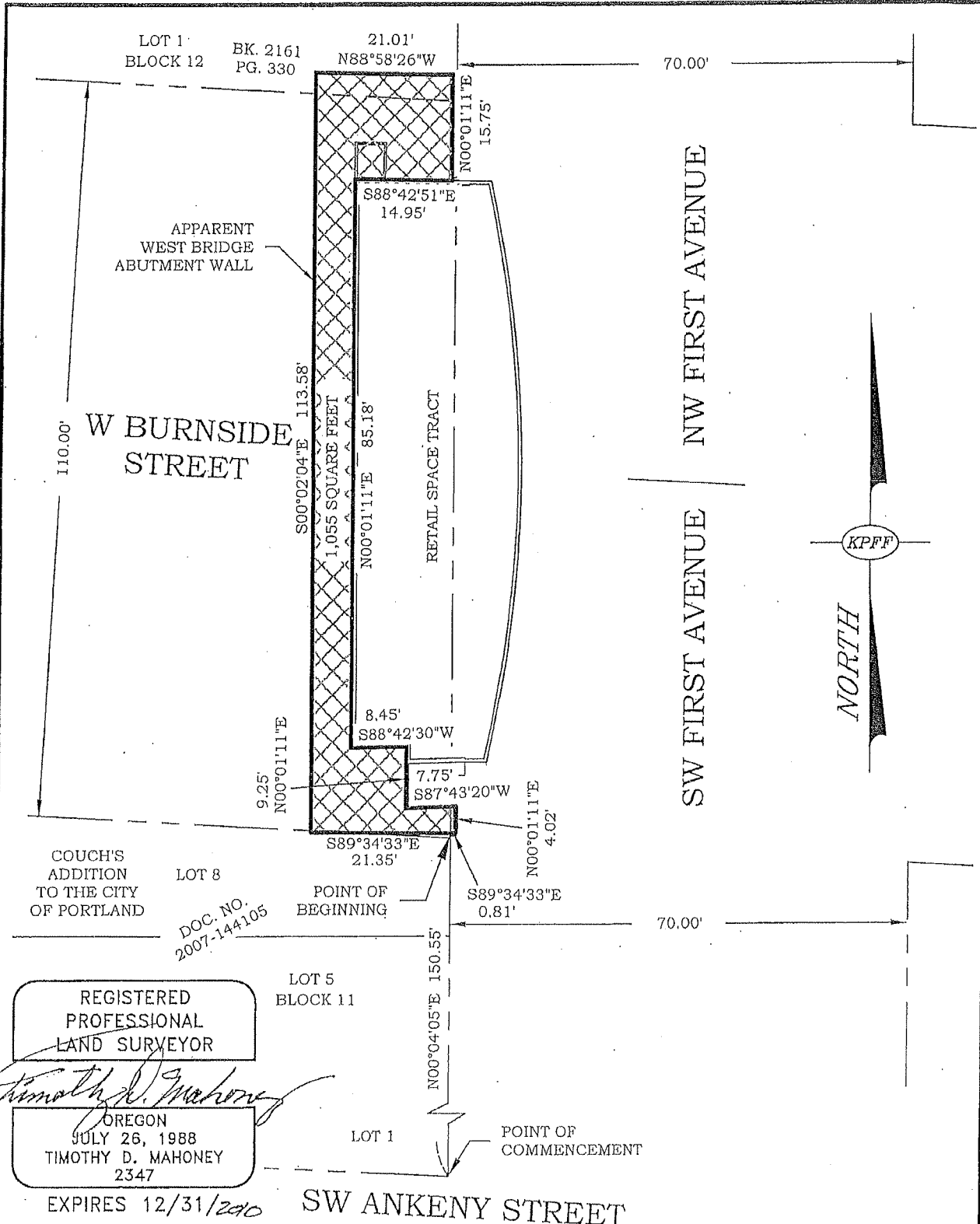
PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff
 Consulting Engineers
 111 B.W. Fifth Avenue
 Suite 2800
 Portland, Oregon 97204
 503-227-3251

RETAIL SPACE TRACT
 SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
 CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2



REGISTERED PROFESSIONAL LAND SURVEYOR

Timothy D. Mahoney

OREGON
JULY 26, 1988
TIMOTHY D. MAHONEY
2347

EXPIRES 12/31/2010

PLAT TO ACCOMPANY LEGAL DESCRIPTION

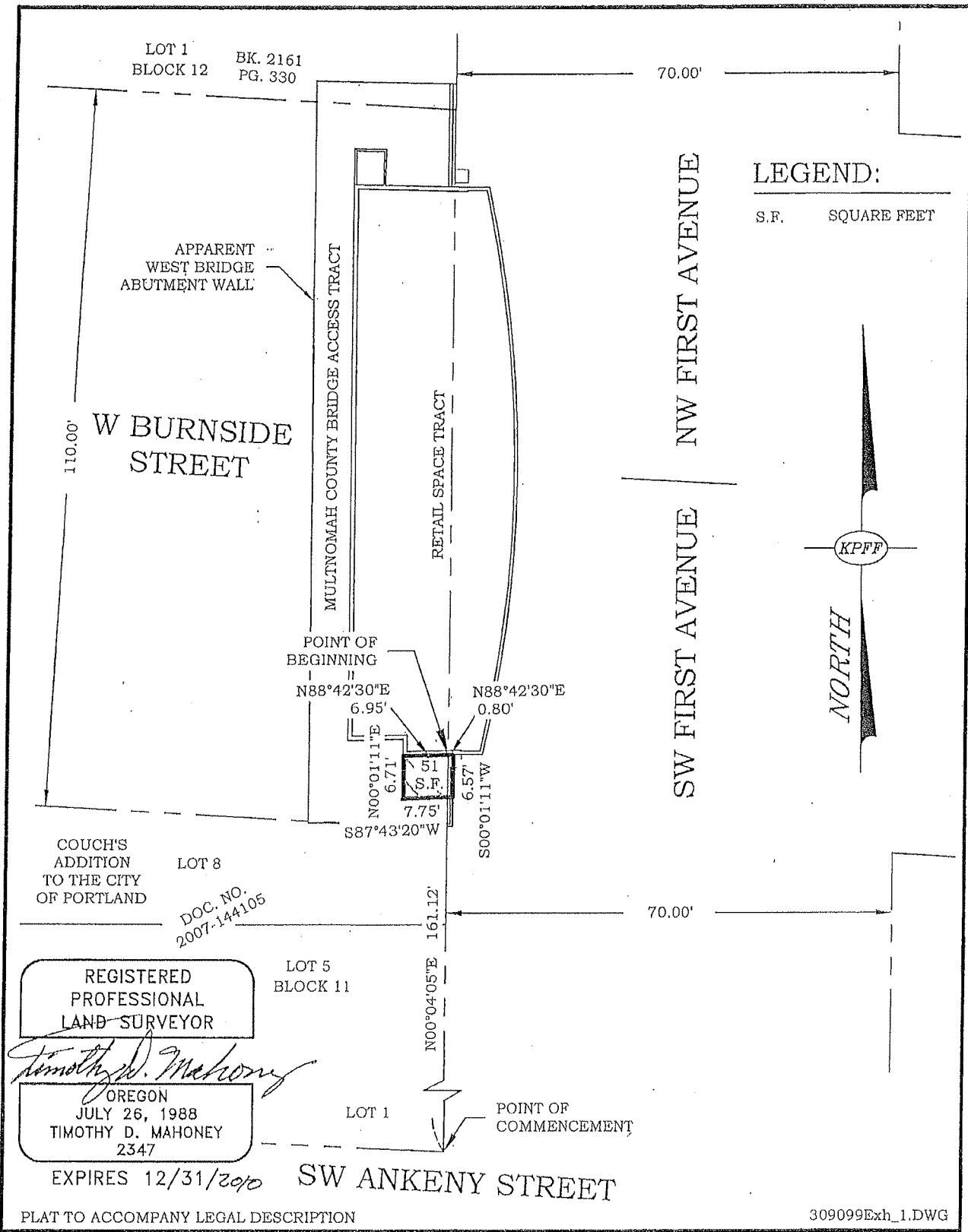
309099Exh_1.DWG

kpff
Consulting Engineers
111 B.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3251

MULTNOMAH COUNTY BRIDGE ACCESS TRACT

SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2



PLAT TO ACCOMPANY LEGAL DESCRIPTION

309099Exh_1.DWG

kpff
Consulting Engineers
111 S.W. Fifth Avenue
Suite 2500
Portland, Oregon 97204
503-227-3261

DATE:	MAY 13, 2009
SCALE:	1" = 20'
CONTOUR INTERVAL:	N/A
PROJECT NO.	309099
SHEET:	2 OF 2

ATM ROOM TRACT
SE 1/4 SEC. 34, T. 1N, R. 1E, W.M.
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

BASIC LEASE PROVISIONS

The following lease provisions are hereby incorporated into and made a part of the Rooftop Commercial Lease to which this is attached:

A. **DATE OF LEASE:** _____, 2010

B. **NAMES AND ADDRESSES OF PARTIES:**

LANDLORD: White Stag Block Master Subtenant, LLC
c/o Venerable Group, Inc.
70 NW Couch Street, Suite 207
Portland, OR 97209

TENANT: City of Portland
Office of Management and Finance
Property Management
1120 SW 5th Avenue, Room 1204
Portland, Oregon 97204

C. **PROPERTY AND BUILDINGS:** Landlord is the master subtenant of the Property described in Exhibit "B" hereto. The Property includes three contiguous buildings located at 70 NW Couch Street ("the Bickel Building" and the "White Stag Building"), and 24 NW 1st Avenue ("the Skidmore Building"), all in Portland, Oregon.

D. **PREMISES:** Landlord shall lease to Tenant that certain space on the roof of the White Stag Building shown on Exhibit "A" together with the electrical panel located in the southeast corner of room 42 (located about 20 feet from Elevator #1 in the northeast corner of the basement of the White Stag Building) and together with access to and from the Premises through the Common Area of the Property as is necessary for ingress and egress to the Premises (collectively, "the Premises"). This Lease does not grant any right for the public use of the Buildings or the Premises.

E. **TERM:** Subject to the provisions of paragraph 3(d) below, the "Term" hereof shall be seven (7) years from the Rent Commencement Date.

F. **RENT COMMENCEMENT DATE:** The date that Tenant acquires title to the "Made in Oregon Sign".

G. **RENTAL:** One (1) dollar (\$1.00) per year. Upon the Rent Commencement Date, Tenant shall pay to Landlord Seven and 00/10 Dollars (\$7.00) representing Rent for the entire Term.

H. **USE:** Tenant shall only use the Premises for the location, repair and maintenance of the "Made in Oregon Sign" which shall be changed, at Landlord's expense, to the configuration

shown on Exhibit "C" and may be herein referenced as the "Portland Oregon Sign" or "the Sign".

I. **TENANT'S REQUIRED INSURANCE:** Tenant is self insured. If not self insured, Tenant will maintain commercial general liability insurance, with limits of not less than \$2,000,000.00 combined single limit.

J. **EXHIBITS:** The following Exhibits are attached hereto and by this reference made a part hereof:

Exhibit "A" Depiction of Rooftop Area
Exhibit "B" Legal Description of Property
Exhibit "C" New Configuration of "Made in Oregon Sign"
Exhibit "D" Rent Commencement Date Estoppel Certificate and Lease Amendment
Exhibit "E" Building Rules and Regulations
Exhibit "F" Rooftop Easement

K. **BROKER:** None

ROOFTOP COMMERCIAL LEASE

1. **Parties.** This Lease is made between Landlord and Tenant named in the Basic Lease Provisions as of the date set forth therein.

2. **Definitions.** In addition to other definitions set forth in the Lease, unless the context otherwise specifies or requires, the terms listed below shall have the following meanings:

(a) **"Building"** shall mean collectively the White Stag Building, the Bickel Building and the Skidmore Building.

(b) **"Common Area"** shall mean all the areas of the Building used or intended to be used from time to time in common by tenants of the Building or by agents, employees, customers or invitees of such tenants, including, but not limited to, elevators, escalators, loading docks, garbage pickup areas, and all fixtures, structures, improvements and equipment pertinent thereto and constituting a part thereof.

(c) **"Indemnified Parties"** shall mean Landlord, and Landlord's members, employees and agents .

(d) **"Landlord's Lender"** shall mean the holder of any loan that is secured by a lien against the Building.

(e) **"Landlord's Property Manager"** shall mean any real estate property manager engaged by Landlord from time to time to manage the Building.

(g) **"Master Landlord"** shall mean White Stag Block, LLC, an Oregon limited liability company, 70 NW Couch Street, Suite 207, Portland, OR 97209

(h) **"Property"** shall mean the real property described in Exhibit B.

3. **Possession and Commencement.**

(a) Landlord shall tender the Premises to Tenant upon Tenant notifying Landlord that Tenant has acquired title to the "Made in Oregon Sign".

(b) The Rent Commencement Date shall be confirmed in writing by the parties promptly upon such commencement by the execution of the Rent Commencement Date Estoppel Certificate attached as Exhibit "D".

(c) If the first day of the Term shall be a day other than the first day of a calendar month, then the Term shall be deemed extended by the number of days between the Rent Commencement Date and the first day of the first calendar month thereafter, so that the Term shall

expire at the end of the calendar month.

(d) On or before the expiration of the Term, Landlord agrees to execute and deliver, or cause to be executed and delivered, to Tenant that certain Rooftop Easement, a copy of which is attached hereto as Exhibit "F" so as to donate, without compensation, said Rooftop Easement.

4. **Rental.**

Upon the Rent Commencement Date, Tenant shall pay to Landlord the Rental as described in the Basic Lease Provisions.

5. **Tenant's Taxes.** Tenant is a tax exempt entity. If taxes should be assessed as a result of this Lease, Tenant shall be responsible for and pay before delinquent all taxes assessed commencing on the Rent Commencement Date and continuing during the Term against any leasehold or personal property of any kind owned by or placed upon or about the Premises by Tenant.

6. **Tenant's Insurance.**

Landlord acknowledges that Tenant is a self insured entity. If Tenant is no longer self-insured, then Tenant shall, at its own expense carry in full force and effect:

(a) A commercial general liability insurance policy, with an insurance carrier reasonably satisfactory to Landlord, naming Indemnified Parties as additional insureds, with limits not less than \$2 million combined single limit insuring Landlord against liability for bodily injury and property damage occurring in, or about the Building.

(b) Fire and/or casualty insurance with standard extended coverage endorsements covering Tenant's trade fixtures, inventory and all other personal property owned or used by Tenant at the Premises.

(c) All such insurance policy shall be with an insurance company or companies with general policyholders' rating of not less than "A VIII" as rated in the most current available Best's Key Rating Guide or "A- VIII" as then currently rated by Standard & Poor's or Moody's Investors Service and which are qualified to do business in Oregon.

(d) Workmen's Compensation and Employer's Liability coverage as required by the State of Oregon.

(e) Such policies shall provide that the insurance shall not be cancelable or reduced without at least thirty (30) days' prior written notice to Landlord, and shall be deemed primary and noncontributing with any insurance available to Landlord. Tenant shall furnish Landlord with a certificate or other acceptable evidence that such insurance is in effect.

(f) If Tenant is no longer self-insured and Tenant fails to obtain insurance as required under this subparagraph (b), after written notice to Tenant, Landlord may, but shall not be obligated to, obtain such insurance for Landlord's own benefit and not for or on behalf of Tenant, and in such event, Tenant shall pay, as Additional Rent, the premium for such insurance upon written demand by Landlord.

(g) Notwithstanding anything to the contrary set forth in this paragraph 6, Landlord may increase all dollar limits specified herein from time to time as reasonably necessary to effect economically equivalent insurance coverage, or coverage Landlord deems adequate in light of the then existing circumstances.

7. **Use of Common Area.** Subject to the provisions of this Lease, Tenant, its employees, contractors and agents shall have the nonexclusive right to use jointly with others the Common Area as defined in this Lease. This Lease does not grant any right for the public use of the Common Area. However, the Common Area shall at all times be subject to the exclusive control, custody and management of Landlord and parts thereof may be closed at such time or times as may be determined advisable by Landlord. Landlord reserves the right to make changes in the Common Area and in the Building from time to time, including, but not limited to, changes, additions or deletions with respect to the shape, size and location of the buildings and other improvements, the directory sign and other equipment and improvements situated in the Common Area. Landlord also reserves the right to erect promotional and other displays within the Common Area as Landlord may from time to time deem desirable. In the event that Landlord's activities in the Common Area may or would interfere or impede Tenant's right to access the Premises or the necessary electrical panel or service or may or could obstruct the public's view of the Sign, Landlord shall give Tenant prior notice of Landlord's proposed activities, and Landlord shall take reasonable steps to reduce interference to Tenant's right to access the Premises for the purpose of Tenant's intended use and to avoid obstruction of the public's view of the Sign.

8. **Use of Premises.** The Premises shall be used for the Use set forth in the Basic Lease Provisions and for no other purpose without Landlord's prior written consent. In connection with the Use of the Premises, Tenant shall:

(a) Conform to all applicable laws and regulations of any public authority affecting the Premises and the Use thereof, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's Use, unless such failure is due to Landlord's fault in the performance of the agreements hereof to be kept and performed by Landlord.

(b) Comply with any reasonable rules respecting the use of the Building promulgated by Landlord from time to time and communicated to Tenant in writing.

(c) Not commit or suffer any strip or waste of the Premises or the Building, or the improvements thereon or any part thereof.

(e) Tenant may not make any changes to the exterior of the Building that impact or alter the historic building materials or involve adding or removing walls without prior approval from Landlord, which approval may be withheld in Landlord's sole and unfettered discretion if the changes would cause the loss of any tax credits or threaten its status as a National Register property.

(d) Tenant shall keep the "Made in Oregon Sign" illuminated 365 days a year during nighttime hours. In addition, at least during the period starting on Thanksgiving and ending on New Years Day, Tenant shall cause the "red nose" on the Stag to illuminate. This subsection shall not be applicable where Tenant is prevented from illuminating the Sign due to: i) the Sign being out of service for repair, replacement or maintenance; ii) causes beyond Tenant's control (such as power failure or loss of connectivity with utility services); or iii) emergency, casualty or acts of God.

9. **Hazardous Materials.**

(a) As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any federal, state, or local governmental authority including, but not limited to, those substances, materials, and wastes listed in the United States Department Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302) and any amendments thereto, any material or substance which is defined as a "**hazardous waste**" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC §6903), or defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 US §9601 et seq. (42 USC §9601) together with petroleum products, except for immaterial quantities of substances customarily and prudently used in the cleaning and maintenance of the Sign or the Premises in accordance with any applicable law.

(b) Tenant shall not generate, store, use, or permit the generation, storage, or usage of any Hazardous Material upon the Premises or Building by Tenant, its agents, employees, contractors, or invitees without the prior written consent of Landlord, which consent may be withheld if Tenant does not demonstrate to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises or Building.

(c) Tenant shall not cause or permit to be discharged into the plumbing or sewage of the Premises or Building any Hazardous Material.

(d) Without limiting or otherwise qualifying any provision hereof, Tenant shall, at its sole cost and expense, comply with any and all rules, regulations, codes, ordinances, statutes, and other requirements of any lawful governmental authority respecting Hazardous Material, pollution, harmful chemicals, and other materials in connection with Tenant's activities on or about the Premises or Building and those of its agents, employees, contractors, or invitees. Tenant specifically agrees to comply with such requirements relating to the handling, use, storage, and disposal of

Hazardous Material and other materials which are considered by any governmental authority as harmful, dangerous, toxic, flammable, or otherwise deserving special care. In the furtherance of, and not in limitation of, Tenant's obligations hereunder, throughout the Term, Tenant shall do or cause to be done all things necessary to preserve and keep in full force and effect permits required for the conduct of its business and operations from the time of commencement of this Lease until its expiration or termination.

(e) Tenant shall pay the full cost of any cleanup, remedial, removal, or restoration work performed on or about the Premises or Building (including posting a performance bond for the estimated cost of cleanup if required by Landlord) as required by any governmental authority in order to remove, neutralize, or otherwise treat Hazardous Material of any type whatsoever directly or indirectly placed by Tenant or its agents, employees, contractors, or invitees on or about the Premises or Building.

(f) Subject to the limitations of the Oregon Constitution and the Oregon Tort Claims Act, Tenant shall be solely responsible for and shall indemnify, defend, and hold Indemnified Parties harmless from any and all claims, judgments, damages, fines, liabilities, demands, causes of action, proceedings, hearings, losses, including without limitation, diminution in value of the Premises or Building, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or Building, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorney's fees, consultant fees, and expert fees, which arise during or after the term hereof as a result of contamination by Hazardous Material from Tenant's Use or activities, or the use or activities of Tenant's agents or contractors relating to the storage, placement or use of Hazardous Material (hereinafter collectively referred to as "**Claims**"). This indemnification by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises or Building. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises or Building caused or permitted by Tenant or its agents or contractors results in any contamination of the Premises or Building, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises or Building to the condition existing prior to the release of any such Hazardous Material to the Premises or Building, provided that Landlord's approval of such actions shall first be obtained. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Tenant agrees to defend all such Claims on behalf of Indemnified Parties with counsel reasonably acceptable to Landlord.

(g) In addition to any other right of inspection contained herein, Landlord and its agents shall have the right, but not the duty, to inspect the Premises or Building at any time upon 24 hour written notice to determine whether Tenant is complying with the terms of this Section of the Lease. If Tenant is not in compliance with this paragraph, Landlord shall have the right to immediately enter upon the Premises to remedy any contamination caused by Tenant's failure to comply notwithstanding any other provision of this Lease. Landlord shall use its best efforts to minimize interference with Tenant's business but shall not be liable for any reasonable interference

caused thereby.

(h) Any default under this paragraph shall be a material default of this Lease enabling Landlord to exercise any of the remedies set forth in this Lease.

(i) Notwithstanding anything to the contrary provided herein, it shall not be unreasonable for Landlord to withhold its consent to any assignment, encumbrance, sublease, or other transfer of this Lease if a proposed transferee's anticipated use of the Premises or Building involves the generation, storage, use, treatment, or disposal of any Hazardous Material. No consent to any assignment or subletting shall constitute a further waiver of this provision. Any such assignment or subletting without such consent shall be void and shall at Landlord's option constitute a default hereunder.

10. **Tenant Improvements and Alterations.**

(a) Tenant shall be required to obtain the prior written approval of Landlord, consent shall not be unreasonably withheld, for any alterations or improvements to the Premises or any changes in the configuration of the Made in Oregon Sign. This paragraph shall not be construed to prohibit the free expression of the City of Portland as long as the configuration on the Sign is not used for commercial advertisement.

(b) Any such alterations, additions or improvements shall be made at Tenant's sole cost and expense. In the event Tenant's alterations, additions or improvements require roof penetration, Tenant shall use Landlord's roofing contractor or such other contractor as Landlord reasonably approves. During the period any construction warranties are in existence concerning the Premises or any portion thereof, Tenant shall use Landlord's contractors to complete Tenant's requirements pursuant to this paragraph 10. Landlord shall have ten (10) days after receiving Tenant's written notice of proposed work to respond or provide such written consent. Tenant shall also obtain Landlord's consent for the location of the staging area for any alterations, additions or improvements. Tenant shall provide Landlord copies of any plans and specifications. Tenant shall deliver to Landlord as-built plans showing all alterations within thirty (30) days following installation of the alteration. Tenant shall conduct all work and supervise all contractors so as to avoid unreasonably disturbing any other occupants of the Building. Tenant shall provide such construction insurance as may be reasonably required by Landlord. The Parties understand that Tenant must comply with State and City laws related to public contracts for good or services, public construction or improvement projects which may impact the selection of contractors and the use of Landlord's proposed contractors, and the selection or use of a particular contractor will be made with due consideration to the legal requirements. If Landlord's contractor is used for Tenant improvements or alterations, any expenses or costs charged to Tenant must be reasonable and within the market range that Tenant may obtain directly pursuant to public bidding for the same services.

(c) All work performed by the Tenant shall be done in strict compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations and ordinances, and Tenant shall secure all necessary permits for the same. Tenant shall keep the

Premises free from all liens in connection with any such work. All work performed by the Tenant shall be carried forward expeditiously, shall not unreasonably interfere with any tenants of the Building, and shall be completed within a reasonable time. Landlord or Landlord's agents shall have the right at all reasonable times to inspect the quality and progress of such work.

(d) Tenant shall provide its own trash container(s) for construction debris; promptly remove all construction and related debris from the Premises; and immediately following completion of construction, Tenant shall repair and restore any portions of the Premises harmed as a result of the construction activities to the condition existing immediately prior to construction. Landlord's review and/or approval of any request for alterations, additions or improvements in or to the Premises, and/or the plans and specifications with respect thereto, shall not create responsibility or liability on the part of Landlord, nor shall such review or approval evidence or constitute a representation or warranty by Landlord with respect to the action or undertaking approved or the completeness, accuracy, design sufficiency, or compliance of such plans or specifications with laws, ordinances, rules, and /or regulations of any governmental agency or authority. Landlord and Tenant acknowledge that such items shall be Tenant's exclusive responsibility.

(e) Tenant shall not paint any exposed timbers or brick surfaces or make any changes to the interior masonry walls that are not in compliance with Landlord's submittals to the State Historic Preservation Office and the U.S. National Park Service.

(f) Notwithstanding the foregoing, Tenant understands that the availability of Historic Tax Credits (as such term is generally defined in the Internal Revenue Code) is dependent upon the Building being restored and maintained in a manner which is consistent with the historic character of the Building and meets the Secretary's Standards. As a result, the Tenant and Landlord agree to mutually cooperate to ensure all Tenant alterations and improvements comply with the Secretary's Standards. For these purposes, "Secretary's Standards" means the standards set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

11. Repairs and Maintenance.

(a) The following shall be the responsibility of Landlord:

(1) Repairs and maintenance of the roof and gutters, exterior walls, bearing walls, structural members, floor slabs, and foundation.

(2) Maintenance and repair of the Common Areas.

(b) The following shall be the responsibility of Tenant, at Tenant's sole cost and expense, and Tenant shall maintain all of the following in good condition and repair:

(1) The Sign and the electrical panel serving the Sign.

(2) Any repairs or alterations in the Premises required under Tenant's obligation to comply with laws and regulations as set forth in paragraph 11(a) above.

(3) All other repairs and maintenance to the Premises which Landlord is not required to make under subparagraph (a) above, which includes, without limiting the generality of the foregoing, utilities serving the Premises.

(c) All repairs, replacements, alterations or other work performed on or about the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with the use of the Premises by Tenant or the ability of the public to view the Sign. Landlord shall give Tenant written notice of proposed Landlord activities where the activities may cause interfere with Tenant's use or where the visibility of the Sign may be reduced. Tenant shall have no right to an abatement of rental nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's performance of repairs and maintenance pursuant to this paragraph.

12. **Liens.** Tenant shall keep the Premises and the Building and Tenant's leasehold interest free from all liens, including construction, mechanic's and materialmen's liens, arising from any act or omission of Tenant or those claiming under Tenant. Notwithstanding the foregoing, in the event of a lien, Tenant shall remove said lien by applicable statutory bond procedure or otherwise discharge such lien within ten (10) days of written notice from Landlord. Landlord shall have the right to post and maintain on the Premises or the Building such notices of nonresponsibility as are provided for under the lien laws of the state in which the Premises are located.

13. **Utilities and Services.**

(a) Tenant shall be solely responsible for all utilities serving the Sign.

(b) Landlord shall make available for Tenant's non-exclusive use the non-attended passenger elevator facilities of the Building during "Business Hours" (as hereafter defined).

14. **Light and Air.** This Lease does not grant any rights of access to light or air over any part of the Premises and/or Building. However, it is the Parties' intent that the Sign is to be visible for public viewing and that the Parties' activities that may reduce visibility should be avoided or minimized as provided in this Lease.

15. **Indemnity.**

(a) The Indemnified Parties shall not be liable to Tenant, or to Tenant's employees, agents, invitees, licensees, contractors, or visitors, or to any other person, for any injury to person or damage to property or for consequential damages of any nature on or about the Premises or Building caused by any act or omission of Tenant, its agents, servants, or employees, or of any other persons entering upon the Premises or Building under express or implied invitation by Tenant; provided, however, subject to the provisions of paragraph 16 below, which provisions shall control the terms of this

paragraph 15, an Indemnified Party shall be liable for actual damages resulting from its sole negligence or willful misconduct.

(b) The provisions of this paragraph shall survive expiration or earlier termination of this Lease with respect to claims or liability occurring prior to such termination

16. **Waiver of Subrogation.** Notwithstanding anything to the contrary contained in this Lease, but without limiting any other waiver set forth herein, Landlord and Tenant hereby mutually agree that in the event either Landlord or Tenant sustains a loss by reason of fire or any other event or casualty and such party is then covered (or is required by the terms of this Lease to be covered) in whole or in part by insurance with respect to such loss, then the party sustaining the loss agrees that, to the extent (but only to the extent) such party is compensated for such loss by its insurance (or to the extent the insurance required to be carried under this Lease by such party would have compensated the party for such loss), the party sustaining the loss shall have no right to recovery against the other party, its partners, officers, agents, contractors or employees, and waives any right of subrogation which might otherwise exist in or accrue to any third party. Landlord and Tenant agree that all policies of insurance obtained by them pursuant to the terms of this Lease shall contain provisions or endorsements thereto waiving the insurer's rights of subrogation with respect to claims against the other and, unless the policies permit waivers of subrogation without notice to the insurer, each shall notify its insurance companies of the existence of the waiver and indemnity provisions set forth in this Lease. In all events, but subject to any other waivers set forth herein, the party sustaining any loss which is required to be covered by insurance pursuant to the other provisions of this Lease may recover from the other party (assuming such other party otherwise has liability for the loss suffered) the amount of any deductible or excess loss under any applicable policy of insurance, to the extent of the deductible under such policy and/or such excess loss.

17. **Damage to Tenant's Property.** Landlord shall not be liable and Tenant hereby waives all claims against Landlord for any damage to the goods, stock, merchandise or other property of Tenant or to any person in or about the Premises resulting from any cause whatsoever, including, but not limited to, damage by rain, water, gas, steam, electricity or theft.

18. **Damage or Destruction.**

(a) If fifty percent (50%) or more of the gross leasable area, inclusive of the rooftop, of the Building is damaged, or if for reasons beyond Landlord's control or by virtue of any financing of the Building, sufficient insurance proceeds are not made available for the repair and restoration of the Building, then, in any of such events, Landlord may elect to terminate this Lease as of the date of damage or destruction by notice given to Tenant in writing not more than one hundred and twenty (120) days following the date of damage or after the date Landlord determines that the insurance proceeds will be insufficient, whichever is applicable. If such notice is given, all rights and obligations of the parties shall cease as of the date of termination. Any insurance which may be carried by Landlord or Tenant shall be for the sole benefit of the party carrying such insurance. Notwithstanding the above and in light of the benefits of the Sign to both parties, the parties will work together so that termination of this Lease would be a 'last resort' decision.

(b) In the absence of an election to terminate as described in subparagraph (a) above, Landlord shall proceed to restore the Building to substantially the same form as prior to the damage or destruction, so as to provide Tenant usable space equivalent in quantity and character to that before the damage or destruction. Work shall be commenced as soon as reasonably possible, and thereafter proceed without interruption, except for work stoppages on account of matters beyond the reasonable control of Landlord. There shall be no abatement of Rent. The repairs shall be made at the expense of Landlord, subject to the availability of insurance proceeds and shall be accomplished with all reasonable dispatch. Landlord shall not be liable for interruption to Tenant's use of the Premises or for damages as described in paragraph 17 above. Tenant, at Tenant's expense shall repair and/or replace all of Tenant's property necessary for the operation of Tenant's business.

19. **Condemnation.** If the entire Building shall be acquired or condemned by any governmental authority under its power of eminent domain for any public or quasi-public use or purpose, this Lease shall terminate as of the date of vesting or acquisition of title in the condemning authority and the rents hereunder shall be abated on that date.

20. **Tenant's Default.** It shall be an "Event of Default" by Tenant if Tenant fails to comply with any material term or condition or fulfill any material obligation of this Lease (other than the payment of Rental or other charges), within thirty (30) days after the giving of written notice specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this subparagraph shall be complied with if Tenant begins correcting the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable and provide Landlord with an estimated time table for correction of default.

21. **Remedies on Tenant's Default.** If an Event of Default occurs, Landlord may, at Landlord's option, exercise any one or more of the rights and remedies available to a landlord in the state of Oregon to redress such default, consecutively or concurrently.

22. **Assignment and Subletting.**

(a) Tenant shall not assign or pledge this Lease, sublet all or any part of the Premises whether voluntarily, involuntarily or by operation of law, or permit the use or occupancy of the Premises by anyone other than Tenant, or assign this Lease for security purposes, without the written consent of Landlord, which consent shall not be unreasonably withheld so long as the assignee is a governmental, public, charitable or non-profit entity. In the event that Landlord shall consent to an assignment or sublease hereunder, Tenant shall pay Landlord's reasonable attorneys' fees and costs, incurred in connection with the processing of documents necessary to the giving of such consent.

(b) Consent by Landlord to one (1) assignment or sublease shall not constitute a consent to other transfers or a waiver of Landlord's rights pursuant to this paragraph.

23. **Subordination.** Tenant agrees that this Lease shall be subject and subordinate to any

mortgage, trust deed or like encumbrance heretofore or hereafter placed by Landlord or its successors in interest upon its interest in the Premises to secure the payment of monies loaned, interest thereon and other obligations. Landlord agrees to use Landlord's best efforts to provide Tenant a Non Disturbance and Attornment Agreement from the holder of any future mortgage, trust deed or like encumbrance. The terms of any Non-Disturbance and Attornment Agreement provided by Landlord shall also contain such covenants, conditions, restrictions, limitations, exceptions and the like as are reasonably necessary and customary for the protection and balancing of the competing interests of the Tenant, the Landlord's Lender and Landlord. Such Non Disturbance and Attornment Agreement shall also provide that no assignment or transfer of Landlord's rights hereunder to a lending institution as collateral security in connection with such encumbrance and no foreclosure sale or transfer in lieu of foreclosure shall affect Tenant's right to possession, use and occupancy of the Premises so long as Tenant is not in default hereunder. The failure by Landlord to obtain such Non Disturbance and Attornment Agreement shall not affect the subordination of this Lease to any such encumbrance. Tenant agrees to execute and deliver, within ten (10) days of such request by Landlord, any and all instruments desired by Landlord subordinating in the manner requested by Landlord to such mortgage, trust deed or like encumbrance. Tenant further appoints Landlord as its attorney in fact for the Term to execute, on behalf of Tenant, any such instruments subordinating this Lease to such mortgage, trust deed or like encumbrance. In the event of the sale of the real property of which the Premises are a part upon foreclosure or upon the exercise of a power of sale, Tenant will, upon written request of the purchaser, attorn to the purchaser and recognize the purchaser as Landlord under this Lease.

24. **Estoppel Certificate.** Tenant shall from time to time, upon not less than ten (10) business days' prior notice, submit to Landlord, or to any person designated by Landlord, in a form presented by Landlord, a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof); (ii) that to the knowledge of Tenant no uncured default exists hereunder (or if such uncured default does exist, specifying the same); (iii) the dates to which Rental and other charges payable hereunder have been paid; (iv) that (to the extent accurate) Tenant has no claims against Landlord and no defenses or offsets to Rental except for the continuing obligations under this Lease (or if Tenant has any such claims, defenses or offsets, specifying the same); and (v) such other matters as may be requested by Landlord.

25. **Force Majeure.** Except for Tenant's obligation to pay Rental and other charges, neither party shall be deemed in default for the nonperformance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if the same shall be due to any labor dispute, strike, lock-out, civil commotion or like operation, invasion, rebellion, hostilities, war, terrorism, bio-terrorism, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or causes beyond the reasonable control of such party, provided such cause is not due to such party's willful act or neglect.

26. **Landlord's Right of Entry.** Upon written notice of not less than twenty-four (24) hours, Landlord and/or its authorized representatives may enter the Premises at all reasonable times (but at any time in the event of emergency) to inspect, clean, repair, alter or improve the Premises,

including but not limited to work (i) needed to comply with any laws, ordinances, rules or regulations of any public authority; or (ii) that Landlord deems necessary in connection with the expansion, reduction, remodeling, or renovation of any portion of the Building. Tenant acknowledges that Landlord may install conduit and other utility runs in the open ceilings of the Premises. No exercise by Landlord of any rights hereunder shall entitle Tenant to any compensation, damages or abatement of Rental for any injury or inconvenience occasioned by such exercise.

27. **Landlord's Right to Cure Default.** If Tenant shall fail to perform any of the covenants or obligations to be performed by Tenant, Landlord, in addition to all other remedies provided herein, shall have the option to cure such default after thirty (30) days' written notice to Tenant. All of Landlord's expenditures incurred to correct the default shall be reimbursed by Tenant upon demand with interest from the date of expenditure by Landlord at a rate of nine percent (9%) per annum. Landlord's right to cure defaults is for the full protection of Landlord and the existence of this right shall not release Tenant from the obligation to perform all of the covenants herein provided to be performed by Tenant, or deprive Landlord of any other right which Landlord may have by reason of such default by Tenant.

28. **Landlord's Default.** In the event of any default by Landlord, Tenant shall give Landlord and Landlord's Lender written notice specifying such default with particularity, and Landlord shall have thirty (30) days (or such longer period as may be required in the exercise of reasonable diligence) in which to cure any such default. Tenant may not exercise any remedies for default by Landlord unless and until Landlord's Lender shall have been given written notice of such default by Tenant and a reasonable opportunity to cure the same (which in no event shall be less than 30 days).

29. **Brokers.** Venerable Properties, LLC, an affiliate of and agent for Landlord, is a licensed real estate organization in the State of Oregon. Arthur DeMuro is the designated broker of Venerable Properties, LLC, the manager of Landlord, and an owner of entities that are members in Landlord. Craig Kelly, a licensed real estate broker, is also a member in Landlord. Tenant shall owe no leasing fee to Venerable Properties, LLC for conducting this transaction.

30. **Landlord's Liability.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets of Landlord, except Landlord's interest in the Building, but are made and intended for the purpose of binding only Landlord's interest in the Building, as the same may, from time to time, be encumbered. No personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforced against Landlord, Landlord's partners or their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease.

31. **General Provisions.**

(a) **Complete Agreement.** There are no oral agreements between Landlord and

Tenant affecting this Lease, and this Lease may not be modified, except by written instrument by the parties or their successors in interest. This Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and other statements, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease or the Building. There are no representations between Landlord and Tenant, other than those contained in this Lease, and all reliance with respect to this Lease is fully upon such representation. Submission of this instrument by Landlord for examination or signature by Tenant does not constitute a reservation of or option for the Lease, and this instrument is not effective as a Lease or otherwise until execution and delivery by both Landlord and Tenant.

(b) Exhibits and Addenda. Exhibits and Addenda attached hereto are incorporated herein and made a part of this Lease.

(c) Recordation. Neither Landlord nor Tenant shall record this Lease or a memorandum hereof without the prior consent of the other party.

(d) Waiver. If either Landlord or Tenant waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained in this Lease. Acceptance of Rental (in whole or part) by Landlord shall not constitute a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, regardless of Landlord's knowledge of such preceding breach at the time of Landlord's acceptance of such Rental. Failure by Landlord or Tenant to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed a waiver or to decrease the right of Landlord or Tenant to insist thereafter upon the strict performance by the party violating any of the terms, covenants or conditions of this Lease. Waiver by Landlord or Tenant of any term, covenant or condition contained in this Lease may only be made by an original written document signed by the waiving party.

(e) Time. Time is of the essence of this Lease.

(f) Severability. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held to be invalid or unenforceable to any extent, the remainder of this Lease shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(g) Notices. All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be: hand delivered; transmitted by facsimile (with a duplicate copy sent by first class mail, postage prepaid); sent by certified or registered mail, postage prepaid, return receipt requested; or sent by reputable overnight courier service for delivery on the next business day, delivery charges prepaid. Notices delivered by hand or by overnight courier shall be deemed given when actually received or when refused by their intended recipient. Facsimile notices shall be deemed delivered when a legible copy has been received (provided receipt has been verified by telephone confirmation or one of the other permitted means of giving notice pursuant to this paragraph. Mail notices shall be

deemed received two (2) days following mailing. Notices shall be sent to Landlord and Tenant at the addresses set forth in the Basic Lease Provisions. A party may change its address for notice by giving at least ten (10) days prior notice of such change to the other party. Any notice required hereunder may be given either by an agent or attorney acting on behalf of a party. Tenant hereby appoints as its agent to receive the service of all eviction (including, but not limited to, forcible entry and detainer and unlawful detainer), summons, complaints and notices the person in charge of or occupying the Premises at the time, and, if no person shall be in charge of or occupying the same, then such service may be made by attaching the same to the main entrance of the Premises.

(h) Joint and Several Liability. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several.

(i) Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive, but shall, whenever possible, be cumulative with all other remedies at law or in equity.

(j) Successors and Assigns. Subject to the provisions of paragraph 22 above, the terms, covenants and conditions contained herein shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties.

(k) Costs of Suit. In the event that any party to this Lease institutes a suit, action, arbitration, or other legal proceeding of any nature whatsoever, relating to this Lease or to the rights or obligations of the parties with respect thereto, including, without limitation, any proceeding seeking a declaration of rights, for rescission or under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, expert witness (whether or not called to testify at trial or other proceeding) and other professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, including but not limited to deposition transcript and court reporter costs, as determined by the judge or arbitrator at trial or other proceeding, and including such fees, costs and expenses incurred in any appellate or review proceeding, or in collecting any judgment or award, or in enforcing any decree rendered with respect thereto, in addition to all other amounts provided for by law.

(l) Sale. In the event that the original Landlord or any successor in interest of Landlord in the Premises shall sell or convey the Premises, all liabilities and obligations on the part of the original Landlord or such successor under this Lease occurring thereafter shall terminate and thereupon all such liabilities and obligations shall be binding upon the new owner.

(m) Construction. The paragraph headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any parts of this Lease. If the context so requires, the singular pronoun shall be taken to mean and include the plural and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations, partnerships and individuals.

(n) Law Governing. This Lease shall be governed by the laws of the state of Oregon.

(o) Amendment. Tenant agrees that it will consent to a change in the terms of this Lease that (i) is necessary to secure the availability of or to accommodate the utilization of the Historic Tax Credits and/or New Market Tax Credits with respect to the proposed rehabilitation of the Property and (ii) does not materially infringe on the economic arrangement of the Tenant created hereunder with respect to its leasehold interest in the Property. For example, one such change that does not materially infringe on said economic arrangement is a change in the Term from the 18 year term specified hereunder to either a 16 year term or a 20 year term provided the Landlord is advised by its legal counsel and/or legal counsel of the prospective tax credit investor that such a change is, as noted above, necessary to secure the availability of or to accommodate the utilization of the Historic Tax Credits and/or New Market Tax Credits with respect to the proposed rehabilitation of the Property. An example of a material infringement on said economic arrangement is a change in Rental.

(p) Arbitration. Any arbitration between the parties pursuant to the Lease shall be administered by, and in accordance with the rules of, Arbitration Services of Portland, Inc. If such corporation no longer exists or no longer provides such arbitration services at the time of the determination then the presiding judge of the Multnomah County Circuit Court shall appoint a comparable arbitration service upon the request of either party.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease in duplicate the day and year first herein written, any corporate signature being by authority of the Board of Directors.

White Stag Block Master Subtenant, LLC
an Oregon limited liability company

**City of Portland, by and through the Office of
Management and Finance**

By: Venerable Group, Inc., Its Manager

By: _____
Jeffrey L. Baer, Director
Title: Bureau of Internal Business Services
TENANT

By: _____
President
LANDLORD

Approved as to Form

City Attorney

EXHIBIT "A"

Depiction of Rooftop Area

EXHIBIT A
[DEPICTION OF LEASED PREMISES]

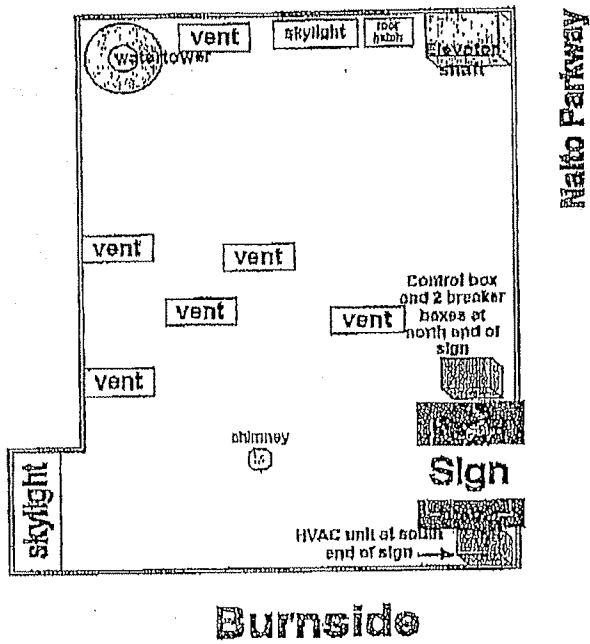


EXHIBIT "B"

Legal Description

PARCEL I:

Lot 8 and the Northerly 30 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL II:

Lots 1 and 4 and the South 20 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM a parcel beginning at a point on the West line of Front Street in said City of Portland, 49.30 feet South of the Northeast corner of said Lot 1 and running thence Southerly along the West line of said Front Street a distance of 0.70 feet to a point in the North line of Burnside Street 100 feet to the Southwest corner of said Lot 1; thence Northerly along the West line of said Lot 1, a distance of 6.09 feet to a point; thence Easterly 100.14 feet to the place of beginning.

PARCEL III:

Lots 2 and 3, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

SUBJECT TO the rights of the public in and to that portion of Lot 2 taken for the widening of West Burnside Street.

AND SUBJECT TO the rights of the public in and to that portion of said Lots 2 and 3 taken for the widening of NW First Avenue.

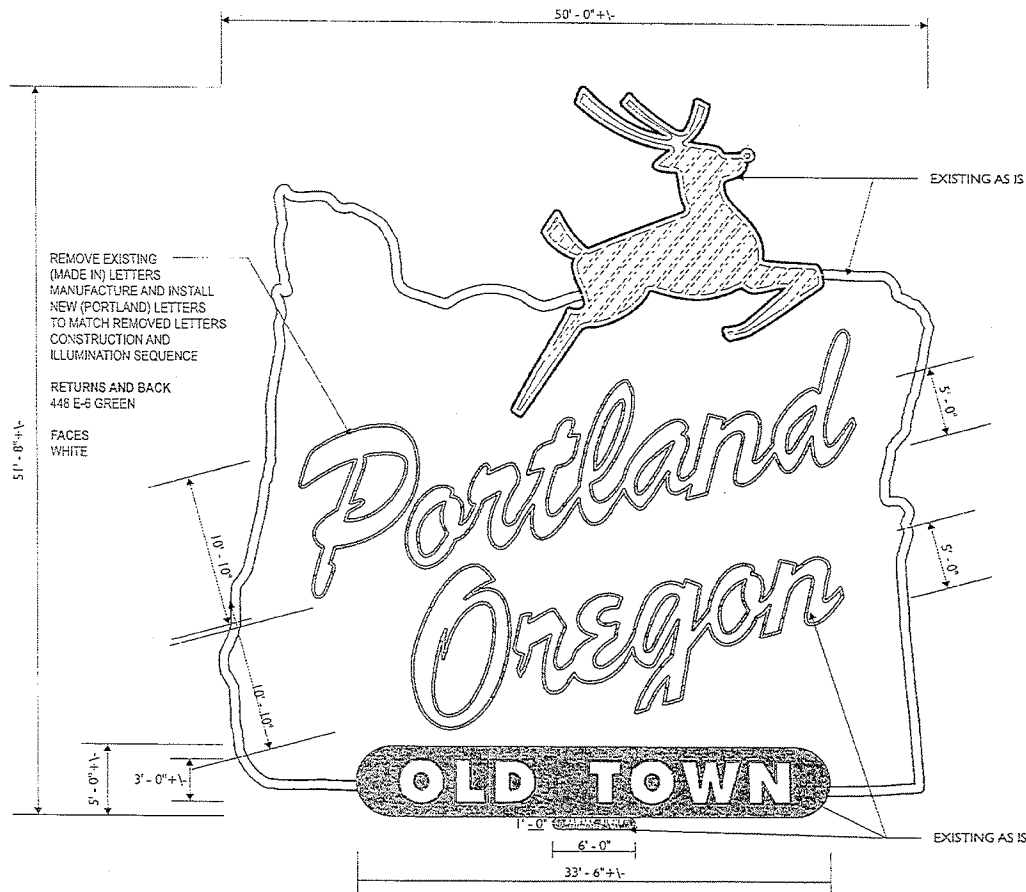
Landlords initials _____
Tenant's initials _____

EXHIBIT "C"

New Configuration of "Made in Oregon Sign"

SCALE: 1/8" = 1' - 0"

EXHIBIT C



SCALE: 1/8" = 1' - 0"

REMOVE EXISTING (MADE IN) INDIVIDUALLY ILLUMINATED LETTERS

EXISTING (OREGON) LETTERS AS IS

MANUFACTURE AND INSTALL NEW (PORTLAND) INDIVIDUALLY ILLUMINATED LETTERS

(PORTLAND) LETTERS
OPEN PAN CHANNEL LETTERS, WITH DOUBLE TUBE NEON, AND CHASING INCANDESCENT BULBS
MATCH CONSTRUCTION AND LIGHT SEQUENCE OF REMOVED (MADE IN) LETTERS



Date
2.26.10

Client
Portland Oregon
Portland, Oregon

Account Executive
Joe Gibson

Design
Ross Hilden

Approvals

Client _____ Date _____

Landlord _____ Date _____

Revisions

Date _____

© Copyright 2010, Ramsay Sigas, Inc.

These plans are the exclusive property of Ramsay Sigas, Inc. and are the result of the original work of the design team.

They are intended to your company for the sole purpose of the construction of the sign to be purchased from Ramsay Sigas, Inc. a sign manufacturer according to their plans.

Distribution or exhibition of these plans to anyone other than employees of your company, or use of these plans to construct a sign similar to the one indicated herein, is expressly forbidden.

In the event that such violation occurs, Ramsay Sigas, Inc. agrees to be reimbursed \$100,000 in compensation for time and effort involved in creating these plans.

Ramsay Sigas
9160 SE 74th Avenue Portland, Oregon 97206
503 777-4555 503 812-4553 503 777-0220

10149

184120

EXHIBIT "D"**Rent Commencement Date****Estoppel Certificate and Lease Amendment**

This Rent Commencement Date Estoppel Certificate and Lease Amendment is made as of this ____ day of _____, with reference to that certain Lease dated _____, 2010, by and between White Stag Block Master Subtenant, LLC ("**Landlord**"), and City of Portland ("**Tenant**"), for the Premises commonly known as the rooftop area shown on Exhibit "A" attached hereto and incorporated herein. The undersigned hereby affirms and acknowledges the following information as true and correct:

Rent Commencement Date: _____, 20__

Lease Expiration Date: _____, 20__

White Stag Block Master Subtenant, LLC, an Oregon limited liability company **City of Portland, by and through the Office of Management and Finance**

By: Venerable Group, Inc., Its Manager

By: _____
Art DeMuro, President
LANDLORD

By: _____
Jeffrey L. Baer, Director
Title: Bureau of Internal Business Services
TENANT

Approved as to Form

City Attorney

EXHIBIT "E"**Building Rules And Regulations**

The Rules and Regulations shall be subject to the terms and conditions of the Lease and to the extent the Rules and Regulations conflict, the terms of the Lease shall govern.

1. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, other than Building standard materials, without the prior written consent of Landlord.
2. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Building. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its Tenants; provided, that nothing herein contained shall be construed to prevent such access to persons with whom any Tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. Tenant and no employee, invitee, agent, licensee, or contractor of Tenant shall go upon or be entitled to use any portion of the roof of the Building.
3. The directory of the Building will be provided exclusively for the display of the name and location of Tenants and such other information as Landlord deems necessary.
4. All cleaning and janitorial services for the Building (excluding the Premises) shall be provided exclusively through Landlord or Landlord's janitorial contractors. No person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to Tenant for loss of property on the Premises, however occurring, or for any damage to Tenant's property by the janitors or any other employee of any other person.
5. Landlord will furnish Tenant, free of charge, with two keys to each door lock in the Premises. Landlord may impose a reasonable charge for any additional keys.
6. No furniture, freight, or equipment of any kind shall be brought into the Building without prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. No furniture, equipment or merchandise shall be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by Landlord.

7. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Tenant shall cooperate with Landlord to i) appropriately distribute weight of heavy equipment, and ii) minimize noise or vibrations of equipment.

8. Tenant shall not use or keep in the Premises any kerosene, gasoline or flammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals (except seeing eye dogs).

9. Tenant shall not use any method of heating (including space heaters) or air-conditioning other than that supplied or approved by Landlord.

10. Tenant shall not waste electricity, water or air-conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall not adjust controls other than room thermostats installed for Tenant's use. Tenant shall keep corridor doors closed and shall endeavor close window coverings at the end of each business day.

11. Except for legally required service animals, no pets shall be allowed in the Building.

12. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m., or such other hours as may be established from time to time by Landlord, and on legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building or any person. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

13. Tenant shall close and lock all doors of its Premises and entirely shut off all water faucets or other water apparatus before Tenant and its employees leave the Premises. Subject to paragraph 19 of the Lease, Tenant shall be responsible for any damage or injuries sustained by other Tenants or occupants of the Building or by Landlord for noncompliance with this rule.

14. Tenant shall not obtain for use on the Premises ice, catering, beverage, towel or other similar services or accept barbering, bootblackening, or automobile services, i.e., washing and oil changes upon the Premises, except at such hours and under such regulations as may be reasonably fixed by Landlord.

15. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any

purpose other than that for which they were constructed, and no foreign substances of any kind whatsoever shall be thrown therein.

16. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

17. Except as expressly permitted in the Lease, Tenant shall not mark, drive nails, screw or drill into the partitions, window mullions, woodwork or plaster, or in any way deface the Premises or any part thereof, except to install normal wall hangings. Tenant shall repair any damage resulting from noncompliance under this rule.

19. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

20. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions reasonably issued from time to time by Landlord. Tenant shall follow all Landlord's directions concerning separation of recycled materials.

21. Subject to the provisions of the Lease, the Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind. No cooking shall be done or permitted by Tenant on the Premises, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted and the use of a microwave shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

22. Tenant shall not use in any space, or in the public halls of the Building, any hand trucks except those equipped with rubber tires and side guards, or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building.

23. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord, and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations. Tenant shall cooperate fully with Landlord in all matters concerning fire and other emergency procedures.

24. Employees of Landlord shall not perform any work or do anything outside of their regular duties without special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any locked office with specific instructions from Landlord.

25. Tenant shall not permit smoking in the Premises; Landlord has designated all internal portions of the Building and certain exterior areas on the Site as a non-smoking facility.

26. Tenant shall at all times maintain with Landlord or Landlord's Building Manager two (2) individuals to serve as Tenant's emergency and after hours contacts. Tenant shall at all times provide said individuals names, and current home and cellular telephone numbers.

Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety, security, care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.

Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees or guests.

EXHIBIT "F"

Rooftop Easement

After Recording, Return to:

ROOFTOP EASEMENT

THIS ROOFTOP EASEMENT ("Easement") is made as of the _____ day of _____, 2010, by **White Stag Block, LLC** ("Grantor") whose address is 70 NW Couch Street, Suite 207, Portland, OR 97209 and the **City of Portland**, acting by and through its Office of Management and Finance, ("Grantee") whose address is 1120 SW 5th Avenue, Room 1204, Portland, Oregon 97204 (all initially capitalized terms contained herein not defined elsewhere herein shall have the meanings ascribed to those terms in paragraph 2 below).

1. **Introduction.**

(a) **The Property.** Grantor is the owner of certain real property located in the City of Portland, County of Multnomah, State of Oregon, more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein and Grantee is the owner of that certain illuminated sign (as hereafter defined) located on the rooftop of the building located on the Building (the "Portland Oregon Sign").

(b) **Purpose.** The purpose of this Easement, among other things, is to insure access to, the proper use and maintenance of the Portland Oregon Sign (formerly known as "Made in Oregon Sign").

(c) **Gift.** The Easements described herein are being donated by Grantor to Grantee without any payment by Grantee to Grantor.

2. **Definitions.**

(a) **“Building”** shall mean collectively the White Stag Building, the Bickel Building and the Skidmore Building located on the real property located on Exhibit “A”.

(b) **“Common Area”** shall mean all the areas of the Building used or intended to be used from time to time in common by Grantees of the Building or by agents, employees, customers or invitees of such Grantees, including, but not limited to, elevators, garbage pickup areas, and all fixtures, structures, improvements and equipment pertinent thereto and constituting a part thereof.

(c) **“Indemnified Parties”** shall mean Grantor, Grantor’s members, employees and agents.

(d) **“Grantor’s Lender”** shall mean the holder of any loan that is secured by a lien against the Building.

(e) **“Grantor’s Property Manager”** shall mean any real estate property manager engaged by Grantor from time to time to manage the Building.

3. **Easement.**

(a) Grantor hereby grants, bargains, sells, establishes and creates for the benefit of Grantee, an exclusive easement of use and enjoyment on, over, across and through that portion of the roof of the Building in the area shown on Exhibit “B” attached hereto and incorporated herein (the “Rooftop Easement”), together with a nonexclusive easement for the use of the Common Areas of the Building for the purpose of locating, maintaining and repairing the Portland Oregon Sign (the “Easement”). Included in the Easement is access to the electrical panel located in the southeast corner of room 42 (located about 20 feet from Elevator #1 in the northeast corner of the basement of the Building) and together with access to and from the Rooftop Easement through the Common Area of the Building as is necessary for ingress and egress to the Rooftop Easement. This Easement does not grant any right for the public use of the Building.

(b) Except as set forth herein, the Easement shall be perpetual and run with the land described herein.

4. Intentionally deleted.

5. **Grantee’s Taxes.** Grantee is a tax exempt entity. If taxes should be assessed as a result of this Easement, Grantee shall be responsible for and pay before delinquent all taxes assessed against any leasehold or personal property of any kind owned by or placed upon or about the Easement by Grantee.

6. **Grantee's Insurance.**

Grantor acknowledges that Grantee is a self insured entity. If Grantee is no longer self-insured, then Grantee shall, at its own expense carry in full force and effect:

(a) A commercial general liability insurance policy, with an insurance carrier reasonably satisfactory to Grantor, naming Indemnified Parties as additional insureds, with limits not less than \$2 million combined single limit insuring Grantor against liability for bodily injury and property damage occurring in, or about the Building.

(b) Fire and/or casualty insurance with standard extended coverage endorsements covering Grantee's trade fixtures, inventory and all other personal property owned or used by Grantee at the Property.

(c) All such insurance policy shall be with an insurance company or companies with general policyholders' rating of not less than "A VIII" as rated in the most current available Best's Key Rating Guide or "A- VIII" as then currently rated by Standard & Poor's or Moody's Investors Service and which are qualified to do business in the state in which the Premises are located.

(d) Workmen's Compensation and Employer's Liability coverage as required by the State of Oregon.

(e) Such policies shall provide that the insurance shall not be cancelable or reduced without at least thirty (30) days' prior written notice to Grantor, and shall be deemed primary and noncontributing with any insurance available to Grantor. Grantee shall furnish Grantor with a certificate or other acceptable evidence that such insurance is in effect.

(f) If Grantee is no longer self-insured and Grantee fails to obtain insurance as required under this subparagraph (b), after written notice to Grantee, Grantor may, but shall not be obligated to, obtain such insurance for Grantor's own benefit and not for or on behalf of Grantee, and in such event, Grantee shall pay, as Additional Rent, the premium for such insurance upon demand by Grantor.

(g) Notwithstanding anything to the contrary set forth in this paragraph 6, Grantor may increase all dollar limits specified herein from time to time as reasonably necessary to effect economically equivalent insurance coverage, or coverage Grantor deems adequate in light of the then existing circumstances.

7. **Use of Common Area.** Subject to the provisions of this Easement, Grantee, its employees, contractors and agents shall have the nonexclusive right to use jointly with others the Common Area. This Easement does not grant any right for the public use of the Common Area. However, the Common Area shall at all times be subject to the exclusive control, custody and management of Grantor and parts thereof may be closed at such time as may be determined advisable by Grantor. In the event that Grantor's activities in or adjacent to the Common Area

may interfere or impede Grantee's rights under this Easement or could obstruct the public's view of the Sign, Grantor shall give Grantee prior written notice of Grantor's proposed activities, and Grantor shall take reasonable steps to reduce interference to Grantee's rights under this Easement and to avoid obstruction of the public's view of the Sign.

8. **Use of Easement.** In connection with the use of the Easement, Grantee shall:

(a) Conform to all applicable laws and regulations of any public authority affecting the Rooftop Easement and the use thereof, and correct at Grantee's own expense any failure of compliance created through Grantee's fault or by reason of Grantee's use, unless such failure is due to Grantor's fault in the performance of the agreements hereof to be kept and performed by Grantor.

(b) Comply with any reasonable rules respecting the use of the Building promulgated by Grantor from time to time and communicated to Grantee in writing.

(c) Not commit or suffer any strip or waste of the Rooftop Easement.

(d) Grantee may not make any changes to the exterior of the Building that impact or alter the historic building materials or involve adding or removing walls without prior approval from Grantor, which approval may be withheld in Grantor's sole and unfettered discretion if the changes would cause the loss of any tax credits or threaten its status as a National Register property.

(e) Grantee shall keep the "Portland Oregon Sign" illuminated 365 days a year during nighttime hours. In addition, at least during the period starting on Thanksgiving and ending on New Years Day, Tenant shall cause the "red nose" on the Stag to illuminate. This subsection shall not be applicable where Grantee is prevented from illuminating the Sign due to: i) the Sign being out of service for repair, replacement or maintenance; ii) causes beyond Grantee's control (such as power failure or loss of connectivity with utility service); or iii) emergency, casualty or acts of God.

9. **Hazardous Materials.**

(a) As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any federal, state, or local governmental authority including, but not limited to, those substances, materials, and wastes listed in the United States Department Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302) and any amendments thereto, any material or substance which is defined as a "**hazardous waste**" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC §6903), or defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 US §9601 et seq. (42 USC §9601) together with petroleum products, except for immaterial quantities of substances customarily and prudently used in the cleaning and maintenance of the Sign in

accordance with any applicable law.

(b) Grantee shall not generate, store, use, or permit the generation, storage, or usage of any Hazardous Material upon the Building by Grantee, its agents, employees, contractors, or invitees without the prior written consent of Grantor, which consent may be withheld if Grantee does not demonstrate to Grantor's reasonable satisfaction that such Hazardous Material is necessary or useful to Grantee's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises or Building.

(c) Grantee shall not cause or permit to be discharged into the plumbing or sewage of the Building any Hazardous Material.

(d) Without limiting or otherwise qualifying any provision hereof, Grantee shall, at its sole cost and expense, comply with any and all rules, regulations, codes, ordinances, statutes, and other requirements of any lawful governmental authority respecting Hazardous Material, pollution, harmful chemicals, and other materials in connection with Grantee's activities on or about the Rooftop Easement or Building and those of its agents, employees, contractors, or invitees. Grantee specifically agrees to comply with such requirements relating to the handling, use, storage, and disposal of Hazardous Material and other materials which are considered by any governmental authority as harmful, dangerous, toxic, flammable, or otherwise deserving special care.

(e) Grantee shall pay the full cost of any cleanup, remedial, removal, or restoration work performed on or about the Building (including posting a performance bond for the estimated cost of cleanup if required by Grantor) as required by any governmental authority in order to remove, neutralize, or otherwise treat Hazardous Material of any type whatsoever directly or indirectly placed by Grantee or its agents, employees, contractors, or invitees on or about the Building.

(f) Subject to the limitations of the Oregon Constitution and the Oregon Tort Claims Act, Grantee shall be solely responsible for and shall indemnify, defend, and hold Indemnified Parties harmless from any and all claims, judgments, damages, fines, liabilities, demands, causes of action, proceedings, hearings, losses, including without limitation, diminution in value of the Building, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Building, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorney's fees, consultant fees, and expert fees, which arise during or after the term hereof as a result of contamination by Hazardous Material from Grantee's use or activities, or the use or activities of Grantee's agents or contractors relating to the storage, placement or use of Hazardous Material (hereinafter collectively referred to as "**Claims**"). This indemnification by Grantee includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises or Building. Without limiting the foregoing, if the

presence of any Hazardous Material on the Building caused or permitted by Grantee or its agents or contractors results in any contamination of the Building, Grantee shall promptly take all actions at its sole expense as are necessary to return the Premises or Building to the condition existing prior to the release of any such Hazardous Material to the Building, provided that Grantor's approval of such actions shall first be obtained.

10. **Grantee Improvements and Alterations.**

(a) Grantee shall be required to obtain the prior written approval of Grantor, consent shall not be unreasonably withheld, for any alterations or improvements to the Premises or any changes in the configuration of the Portland Oregon Sign. This paragraph shall not be construed to prohibit the free expression of the City of Portland as long as the configuration on the Sign is not used for commercial advertisement.

(b) Any such alterations, additions or improvements shall be made at Grantee's sole cost and expense. In the event Grantee's alterations, additions or improvements require roof penetration, Grantee shall use Grantor's roofing contractor or such other contractor as Grantor reasonably approves. During the period any construction warranties are in existence concerning the Rooftop Easement or any portion thereof, Grantee shall use Grantor's contractors to complete Grantee's requirements pursuant to this paragraph 10. Grantor shall have ten (10) days after receiving Grantee's written notice of proposed work to respond or provide such written consent. Grantee shall also obtain Grantor's consent for the location of the staging area for any alterations, additions or improvements. Grantee shall provide Grantor copies of any plans and specifications. Grantee shall deliver to Grantor as-built plans showing all alterations within thirty (30) days following installation of the alteration. Grantee shall conduct all work and supervise all contractors so as to avoid unreasonably disturbing any other occupants of the Building. Grantee shall provide such construction insurance as may be reasonably required by Grantor. The Parties understand that Grantee must comply with State and City laws related to public contracts for good or services, public construction or improvement projects which may impact the selection of contractors and the use of Grantor's proposed contractors, and the selection or use of a particular contractor will be made with due consideration to the legal requirements. If Grantor's contractor is used for Grantee's improvements or alterations, any expenses or costs charged to Grantee must be reasonable and within the market range that Grantee may obtain directly pursuant to public bidding for the same services.

(c) All work performed by the Grantee shall be done in strict compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations and ordinances, and Grantee shall secure all necessary permits for the same. Grantee shall keep the Rooftop Easement free from all liens in connection with any such work. All work performed by the Grantee shall be carried forward expeditiously, shall not unreasonably interfere with any tenants of the Building, and shall be completed within a reasonable time. Grantor or Grantor's agents shall have the right at all reasonable times to inspect the quality and progress of such work.

(d) Grantee shall provide its own trash container(s) for construction debris;

promptly remove all construction and related debris from the roof; and immediately following completion of construction, Grantee shall repair and restore any portions of the Rooftop Easement harmed as a result of the construction activities to the condition existing immediately prior to construction. Grantor's review and/or approval of any request for alterations, additions or improvements in or to the Rooftop Easement, and/or the plans and specifications with respect thereto, shall not create responsibility or liability on the part of Grantor, nor shall such review or approval evidence or constitute a representation or warranty by Grantor with respect to the action or undertaking approved or the completeness, accuracy, design sufficiency, or compliance of such plans or specifications with laws, ordinances, rules, and/or regulations of any governmental agency or authority. Grantor and Grantee acknowledge that such items shall be Grantee's exclusive responsibility.

(e) Notwithstanding the foregoing, Grantee understands that the Building has been restored and maintained in a manner which is consistent with the historic character of the Building and meets the Secretary's Standards. As a result, the Grantee and Grantor agree to mutually cooperate to ensure all Grantee alterations and improvements comply with the Secretary's Standards. For these purposes, "Secretary's Standards" means the standards set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

11. **Repairs and Maintenance.**

(a) The following shall be the responsibility of Grantor:

(1) Repairs and maintenance of the roof and gutters, exterior walls, bearing walls, structural members, floor slabs, and foundation.

(2) Maintenance and repair of the Common Areas.

(b) The following shall be the responsibility of Grantee, at Grantee's sole cost and expense, and Grantee shall maintain all of the following in good condition and repair:

(1) The Sign and the electrical panel serving the Sign.

(2) Any repairs or alterations in the Rooftop Easement required under Grantee's obligation to comply with laws and regulations as set forth in paragraph 11(a) above.

(3) All other repairs and maintenance to the Rooftop Easement which Grantor is not required to make under subparagraph (a) above, which includes, without limiting the generality of the foregoing, utilities serving the Sign.

(c) All repairs, replacements, alterations or other work performed on or about the Property by Grantor shall be done in such a way as to interfere as little as reasonably possible with the Grantee's easement right or the ability of the public to view the Sign. Grantor shall give Grantee written notice of proposed Grantor activities where the activities may cause interfere

with Grantee's easement rights or where the visibility of the Sign may be reduced.

12. **Liens.** Grantee shall keep the Building free from all liens, including construction, mechanic's and materialmen's liens, arising from any act or omission of Grantee or those claiming under Grantee. Notwithstanding the foregoing, in the event of a lien, Grantee shall remove said lien by applicable statutory bond procedure or otherwise discharge such lien within ten (10) days of written notice from Grantor. Grantor shall have the right to post and maintain on the Rooftop Easement or the Building such notices of nonresponsibility as are provided for under the lien laws of the state in which the Building is located.

13. **Utilities and Services.**

(a) Grantee shall be solely responsible for all utilities serving the Sign.

(b) Grantor shall make available for Grantee's non-exclusive use the non-attended passenger elevator facilities of the Building during the Building's normal business hours.

14. **Indemnity.** The Indemnified Parties shall not be liable to Grantee, or to Grantee's employees, agents, invitees, licensees, contractors, or visitors, or to any other person, for any injury to person or damage to property or for consequential damages of any nature on or about the Building caused by any act or omission of Grantee, its agents, servants, or employees, or of any other persons entering upon the Premises or Building under express or implied invitation by Grantee; provided, however, subject to the provisions of paragraph 15 below, which provisions shall control the terms of this paragraph 14, an Indemnified Party shall be liable for actual damages resulting from its sole negligence or willful misconduct.

15. **Waiver of Subrogation.** Notwithstanding anything to the contrary contained in this Lease, but without limiting any other waiver set forth herein, Grantor and Grantee hereby mutually agree that in the event either Grantor or Grantee sustains a loss by reason of fire or any other event or casualty and such party is then covered (or is required by the terms of this Lease to be covered) in whole or in part by insurance with respect to such loss, then the party sustaining the loss agrees that, to the extent (but only to the extent) such party is compensated for such loss by its insurance (or to the extent the insurance required to be carried under this Lease by such party would have compensated the party for such loss), the party sustaining the loss shall have no right to recovery against the other party, its partners, officers, agents, contractors or employees, and waives any right of subrogation which might otherwise exist in or accrue to any third party. Grantor and Grantee agree that all policies of insurance obtained by them pursuant to the terms of this Lease shall contain provisions or endorsements thereto waiving the insurer's rights of subrogation with respect to claims against the other and, unless the policies permit waivers of subrogation without notice to the insurer, each shall notify its insurance companies of the existence of the waiver and indemnity provisions set forth in this Lease. In all events, but subject to any other waivers set forth herein, the party sustaining any loss which is required to be covered by insurance pursuant to the other provisions of this Lease may recover from the other party (assuming such other party otherwise has liability for the loss suffered) the amount of any

deductible or excess loss under any applicable policy of insurance, to the extent of the deductible under such policy and/or such excess loss.

16. **Damage or Destruction.**

(a) If fifty percent (50%) or more of the gross leasable area, inclusive of the rooftop, of the Building is damaged, or if for reasons beyond Grantor's control or by virtue of any financing of the Building, sufficient insurance proceeds are not made available for the repair and restoration of the Building, then, in any of such events, Grantor may elect to terminate this Easement as of the date of damage or destruction by notice given to Grantee in writing not more than one hundred and twenty (120) days following the date of damage or after the date Grantor determines that the insurance proceeds will be insufficient, whichever is applicable. If such notice is given, all rights and obligations of the parties shall cease as of the date of termination. Any insurance which may be carried by Grantor or Grantee shall be for the sole benefit of the party carrying such insurance. Notwithstanding the above and in light of the benefits of the Sign to both parties, the parties will work together so that termination of this Easement would be a 'last resort' decision.

(b) In the absence of an election to terminate as described in subparagraph (a) above, Grantor shall proceed to restore the Building to substantially the same form as prior to the damage or destruction, so as to provide Grantee an equivalent Rooftop Easement to that before the damage or destruction. Work shall be commenced as soon as reasonably possible, and thereafter proceed without interruption, except for work stoppages on account of matters beyond the reasonable control of Grantor. The repairs shall be made at the expense of Grantor, subject to the availability of insurance proceeds and shall be accomplished with all reasonable dispatch. Grantor shall not be liable for interruption to Grantee's use of the Rooftop Easement. Grantee, at Grantee's expense shall repair and/or replace all of Grantee's property necessary for the operation of the Portland Oregon Sign.

16. **Condemnation.** If the entire Building shall be acquired or condemned by any governmental authority under its power of eminent domain for any public or quasi-public use or purpose, this Easement shall terminate as of the date of vesting or acquisition of title in the condemning authority and the rents hereunder shall be abated on that date.

17. **Grantee's Default.** It shall be an "Event of Default" by Grantee if Grantee fails to comply with any material term or condition or fulfill any material obligation of this Easement within thirty (30) days after the giving of written notice specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this subparagraph shall be complied with if Grantee begins correcting the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable and provide Grantor with an estimated time table for correction of default.

18. **Remedies on Grantee's Default.** If an Event of Default occurs, Grantor may, at Grantor's option, exercise any one or more of the rights and remedies available in the state of

Oregon to redress such default, consecutively or concurrently.

19. **Assignment and Subletting.** Grantee shall not assign or pledge this Easement, whether voluntarily, involuntarily or by operation of law, or permit the use or occupancy of the Rooftop Easement by anyone other than Grantee without the written consent of Grantor, which consent shall not be unreasonably withheld so long as the assignee is a governmental, public, charitable or non-profit entity. In the event that Grantor shall consent to an assignment, Grantee shall pay Grantor's reasonable attorneys' fees and costs, incurred in connection with the processing of documents necessary to the giving of such consent.

20. **Subordination.** Grantee agrees that this Easement shall be subject and subordinate to any mortgage, trust deed or like encumbrance heretofore or hereafter placed by Grantor or its successors in interest upon its interest in the Building to secure the payment of monies loaned, interest thereon and other obligations. Grantor agrees to use Grantor's best efforts to provide Grantee a Non Disturbance and Attornment Agreement from the holder of any future mortgage, trust deed or like encumbrance. The terms of any Non-Disturbance and Attornment Agreement provided by Grantor shall also contain such covenants, conditions, restrictions, limitations, exceptions and the like as are reasonably necessary and customary for the protection and balancing of the competing interests of the Grantee, the Grantor's Lender and Grantor. Such Non Disturbance and Attornment Agreement shall also provide that no assignment or transfer of Grantor's rights hereunder to a lending institution as collateral security in connection with such encumbrance and no foreclosure sale or transfer in lieu of foreclosure shall affect Grantee's right to possession, use and occupancy of the Premises so long as Grantee is not in default hereunder. The failure by Grantor to obtain such Non Disturbance and Attornment Agreement shall not affect the subordination of this Easement to any such encumbrance. Grantee agrees to execute and deliver, within ten (10) days of such request by Grantor, any and all instruments desired by Grantor subordinating in the manner requested by Grantor to such mortgage, trust deed or like encumbrance. In the event of the sale of the Building upon foreclosure or upon the exercise of a power of sale, Grantee will, upon written request of the purchaser, attorn to the purchaser and recognize the purchaser as Grantor under this Easement.

21. **Estoppel Certificate.** Grantee shall from time to time, upon not less than ten (10) business days' prior notice, submit to Grantor, or to any person designated by Grantor, in a form presented by Grantor, a statement in writing certifying: (i) that this Easement is unmodified and in full force and effect (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof); (ii) that to the knowledge of Grantee no uncured default exists hereunder (or if such uncured default does exist, specifying the same); (iii) such other matters as may be requested by Grantor.

22. **Force Majeure.** Neither party shall be deemed in default for the nonperformance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if the same shall be due to any labor dispute, strike, lock-out, civil commotion or like operation, invasion, rebellion, hostilities, war, terrorism, bio-terrorism, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or

materials, or through act of God or causes beyond the reasonable control of such party, provided such cause is not due to such party's willful act or neglect.

23. **Grantor's Right to Cure Default.** If Grantee shall fail to perform any of the covenants or obligations to be performed by Grantee, Grantor, in addition to all other remedies provided herein, shall have the option to cure such default after thirty (30) days' written notice to Grantee. All of Grantor's expenditures incurred to correct the default shall be reimbursed by Grantee upon demand with interest from the date of expenditure by Grantor at a rate of nine percent (9%) per annum. Grantor's right to cure defaults is for the full protection of Grantor and the existence of this right shall not release Grantee from the obligation to perform all of the covenants herein provided to be performed by Grantee, or deprive Grantor of any other right which Grantor may have by reason of such default by Grantee.

24. **General Provisions.**

(a) **Complete Agreement.** There are no oral agreements between Grantor and Grantee affecting this Easement, and this Easement may not be modified, except by written instrument by the parties or their successors in interest. This Easement supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and other statements, if any, between Grantor and Grantee or displayed by Grantor to Grantee with respect to the subject matter of this Easement or the Building. There are no representations between Grantor and Grantee, other than those contained in this Easement, and all reliance with respect to this Lease is fully upon such representation.

(b) **Exhibits and Addenda.** Exhibits attached hereto and are incorporated herein and made a part of this Easement.

(c) **Waiver.** If either Grantor or Grantee waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained in this Easement. Failure by Grantor or Grantee to enforce any of the terms, covenants or conditions of this Easement for any length of time shall not be deemed a waiver or to decrease the right of Grantor or Grantee to insist thereafter upon the strict performance by the party violating any of the terms, covenants or conditions of this Easement. Waiver by Grantor or Grantee of any term, covenant or condition contained in this Easement may only be made by an original written document signed by the waiving party.

(e) **Severability.** If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held to be invalid or unenforceable to any extent, the remainder of this Easement shall not be affected thereby and each term and provision of this Easement shall be valid and enforceable to the fullest extent permitted by law.

(f) **Notices.** All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder

shall be in writing and shall be: hand delivered; transmitted by facsimile (with a duplicate copy sent by first class mail, postage prepaid); sent by certified or registered mail, postage prepaid, return receipt requested; or sent by reputable overnight courier service for delivery on the next business day, delivery charges prepaid. Notices delivered by hand or by overnight courier shall be deemed given when actually received or when refused by their intended recipient. Facsimile notices shall be deemed delivered when a legible copy has been received (provided receipt has been verified by telephone confirmation or one of the other permitted means of giving notice pursuant to this paragraph. Mail notices shall be deemed received two (2) days following mailing. Notices shall be sent to Grantor and Grantee at the addresses set forth above. A party may change its address for notice by giving at least ten (10) days prior notice of such change to the other party. Any notice required hereunder may be given either by an agent or attorney acting on behalf of a party.

(g) Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties.

(h) Costs of Suit. In the event that any party to this Easement institutes a suit, action, arbitration, or other legal proceeding of any nature whatsoever, relating to this Lease or to the rights or obligations of the parties with respect thereto, including, without limitation, any proceeding seeking a declaration of rights, for rescission or under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, expert witness (whether or not called to testify at trial or other proceeding) and other professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, including but not limited to deposition transcript and court reporter costs, as determined by the judge or arbitrator at trial or other proceeding, and including such fees, costs and expenses incurred in any appellate or review proceeding, or in collecting any judgment or award, or in enforcing any decree rendered with respect thereto, in addition to all other amounts provided for by law.

(i) Sale. In the event that the original Grantor or any successor in interest of Grantor in the Building shall sell or convey the Building, all liabilities and obligations on the part of the original Grantor or such successor under this Easement occurring thereafter shall terminate and thereupon all such liabilities and obligations shall be binding upon the new owner.

(j) Construction. The paragraph headings of this Easement are not a part of this Easement and shall have no effect upon the construction or interpretation of any parts of this Easement. If the context so requires, the singular pronoun shall be taken to mean and include the plural and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations, partnerships and individuals.

(k) Law Governing. This Easement shall be governed by the laws of the state of Oregon.

25. **Acceptance.** Grantee hereby accepts Grantor's donation of this Easement.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Rooftop Easement in duplicate the day and year first herein written, any corporate signature being by authority of the Board of Directors.

White Stag Block, LLC

City of Portland, by and through the Office of Management and Finance

By: Venerable Group, Inc.,
its Manager

By: _____
Jeffrey L. Baer, Director

By: _____
Art DeMuro, President
GRANTOR

Title: Bureau of Internal Business Services
GRANTEE

Approved as to Form

City Attorney

Notarial acknowledgements appear on following page

STATE OF OREGON)
) ss.
County of Multnomah)

I certify that Art DeMuro appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of **White Stag Block, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20__.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of Multnomah)

I certify that Jeffrey L. Baer appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument as the authorized representative of the City of Portland and acknowledged it as the Director of the Bureau of Internal Business Services of the Office of Management and Finance, of the **City of Portland**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20__.

Notary Public for Oregon
My Commission Expires: _____

Exhibit "A"

Legal Description

PARCEL I:

Lot 8 and the Northerly 30 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL II:

Lots 1 and 4 and the South 20 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM a parcel beginning at a point on the West line of Front Street in said City of Portland, 49.30 feet South of the Northeast corner of said Lot 1 and running thence Southerly along the West line of said Front Street a distance of 0.70 feet to a point in the North line of Burnside Street 100 feet to the Southwest corner of said Lot 1; thence Northerly along the West line of said Lot 1, a distance of 6.09 feet to a point; thence Easterly 100.14 feet to the place of beginning.

PARCEL III:

Lots 2 and 3, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

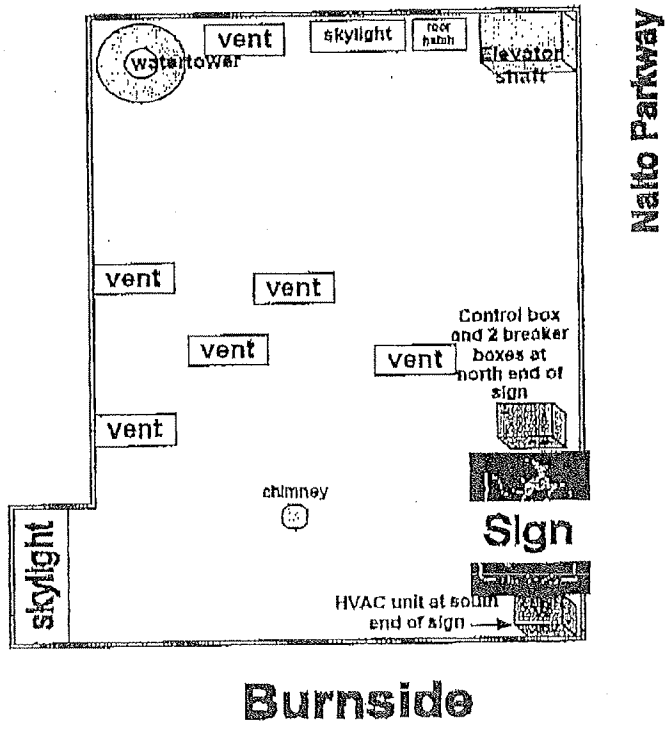
SUBJECT TO the rights of the public in and to that portion of Lot 2 taken for the widening of West Burnside Street.

AND SUBJECT TO the rights of the public in and to that portion of said Lots 2 and 3 taken for the widening of NW First Avenue.

Exhibit "B"

Rooftop Easement Area

EXHIBIT B



After Recording, Return to:

ROOFTOP EASEMENT

THIS ROOFTOP EASEMENT (“Easement”) is made as of the ____ day of _____, 2010, by **White Stag Block, LLC** (“Grantor”) whose address is 70 NW Couch Street, Suite 207, Portland, OR 97209 and the **City of Portland**, acting by and through its Office of Management and Finance, (“Grantee”) whose address is 1120 SW 5th Avenue, Room 1204, Portland, Oregon 97204 (all initially capitalized terms contained herein not defined elsewhere herein shall have the meanings ascribed to those terms in paragraph 2 below).

1. **Introduction.**

(a) **The Property.** Grantor is the owner of certain real property located in the City of Portland, County of Multnomah, State of Oregon, more particularly described on Exhibit “A” attached hereto and by this reference incorporated herein and Grantee is the owner of that certain illuminated sign (as hereafter defined) located on the rooftop of the building located on the Building (the “Portland Oregon Sign”).

(b) **Purpose.** The purpose of this Easement, among other things, is to insure access to, the proper use and maintenance of the Portland Oregon Sign (formerly known as “Made in Oregon Sign”).

(c) **Gift.** The Easements described herein are being donated by Grantor to Grantee without any payment by Grantee to Grantor.

2. **Definitions.**

(a) **Building**” shall mean collectively the White Stag Building, the Bickel Building and the Skidmore Building located on the real property located on Exhibit “A”..

(b) **“Common Area”** shall mean all the areas of the Building used or intended to be used from time to time in common by Grantees of the Building or by agents, employees, customers or invitees of such Grantees, including, but not limited to, elevators,

garbage pickup areas, and all fixtures, structures, improvements and equipment pertinent thereto and constituting a part thereof.

(c) **"Indemnified Parties"** shall mean Grantor, Grantor's members, employees and agents.

(d) **"Grantor's Lender"** shall mean the holder of any loan that is secured by a lien against the Building.

(e) **"Grantor's Property Manager"** shall mean any real estate property manager engaged by Grantor from time to time to manage the Building.

3. **Easement.**

(a) Grantor hereby grants, bargains, sells, establishes and creates for the benefit of Grantee, an exclusive easement of use and enjoyment on, over, across and through that portion of the roof of the Building in the area shown on Exhibit "B" attached hereto and incorporated herein (the "Rooftop Easement"), together with a nonexclusive easement for the use of the Common Areas of the Building for the purpose of locating, maintaining and repairing the Portland Oregon Sign (the "Easement"). Included in the Easement is access to the electrical panel located in the southeast corner of room 42 (located about 20 feet from Elevator #1 in the northeast corner of the basement of the Building) and together with access to and from the Rooftop Easement through the Common Area of the Building as is necessary for ingress and egress to the Rooftop Easement. This Easement does not grant any right for the public use of the Building.

(b) Except as set forth herein, the Easement shall be perpetual and run with the land described herein.

4. Intentionally deleted.

5. **Grantee's Taxes.** Grantee is a tax exempt entity. If taxes should be assessed as a result of this Easement, Grantee shall be responsible for and pay before delinquent all taxes assessed against any leasehold or personal property of any kind owned by or placed upon or about the Easement by Grantee.

6. **Grantee's Insurance.**

Grantor acknowledges that Grantee is a self insured entity. If Grantee is no longer self-insured, then Grantee shall, at its own expense carry in full force and effect:

(a) A commercial general liability insurance policy, with an insurance carrier reasonably satisfactory to Grantor, naming Indemnified Parties as additional insureds, with limits not less than \$2 million combined single limit insuring Grantor against liability for bodily injury and property damage occurring in, or about the Building.

(b) Fire and/or casualty insurance with standard extended coverage endorsements covering Grantee's trade fixtures, inventory and all other personal property owned or used by Grantee at the Property.

(c) All such insurance policy shall be with an insurance company or companies with general policyholders' rating of not less than "A VIII" as rated in the most current available Best's Key Rating Guide or "A- VIII" as then currently rated by Standard & Poor's or Moody's Investors Service and which are qualified to do business in the state in which the Premises are located.

(d) Workmen's Compensation and Employer's Liability coverage as required by the State of Oregon.

(e) Such policies shall provide that the insurance shall not be cancelable or reduced without at least thirty (30) days' prior written notice to Grantor, and shall be deemed primary and noncontributing with any insurance available to Grantor. Grantee shall furnish Grantor with a certificate or other acceptable evidence that such insurance is in effect.

(f) If Grantee is no longer self-insured and Grantee fails to obtain insurance as required under this subparagraph (b), after written notice to Grantee, Grantor may, but shall not be obligated to, obtain such insurance for Grantor's own benefit and not for or on behalf of Grantee, and in such event, Grantee shall pay, as Additional Rent, the premium for such insurance upon demand by Grantor.

(g) Notwithstanding anything to the contrary set forth in this paragraph 6, Grantor may increase all dollar limits specified herein from time to time as reasonably necessary to effect economically equivalent insurance coverage, or coverage Grantor deems adequate in light of the then existing circumstances.

7. **Use of Common Area.** Subject to the provisions of this Easement, Grantee, its employees, contractors and agents shall have the nonexclusive right to use jointly with others the Common Area. This Easement does not grant any right for the public use of the Common Area. However, the Common Area shall at all times be subject to the exclusive control, custody and management of Grantor and parts thereof may be closed at such time as may be determined advisable by Grantor. In the event that Grantor's activities in or adjacent to the Common Area may interfere or impede Grantee's rights under this Easement or could obstruct the public's view of the Sign, Grantor shall give Grantee prior written notice of Grantor's proposed activities, and Grantor shall take reasonable steps to reduce interference to Grantee's rights under this Easement and to avoid obstruction of the public's view of the Sign.

8. **Use of Easement.** In connection with the use of the Easement, Grantee shall:

(a) Conform to all applicable laws and regulations of any public authority affecting the Rooftop Easement and the use thereof, and correct at Grantee's own expense

any failure of compliance created through Grantee's fault or by reason of Grantee's use, unless such failure is due to Grantor's fault in the performance of the agreements hereof to be kept and performed by Grantor.

(b) Comply with any reasonable rules respecting the use of the Building promulgated by Grantor from time to time and communicated to Grantee in writing.

(c) Not commit or suffer any strip or waste of the Rooftop Easement.

(d) Grantee may not make any changes to the exterior of the Building that impact or alter the historic building materials or involve adding or removing walls without prior approval from Grantor, which approval may be withheld in Grantor's sole and unfettered discretion if the changes would cause the loss of any tax credits or threaten its status as a National Register property.

(e) Grantee shall keep the "Portland Oregon Sign" illuminated 365 days a year during nighttime hours. In addition, at least during the period starting on Thanksgiving and ending on New Years Day, Tenant shall cause the "red nose" on the Stag to illuminate. This subsection shall not be applicable where Grantee is prevented from illuminating the Sign due to: i) the Sign being out of service for repair, replacement or maintenance; ii) causes beyond Grantee's control (such as power failure or loss of connectivity with utility service); or iii) emergency, casualty or acts of God.

9. **Hazardous Materials.**

(a) As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any federal, state, or local governmental authority including, but not limited to, those substances, materials, and wastes listed in the United States Department Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302) and any amendments thereto, any material or substance which is defined as a "**hazardous waste**" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC §6903), or defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 US §9601 et seq. (42 USC §9601) together with petroleum products, except for immaterial quantities of substances customarily and prudently used in the cleaning and maintenance of the Sign in accordance with any applicable law.

(b) Grantee shall not generate, store, use, or permit the generation, storage, or usage of any Hazardous Material upon the Building by Grantee, its agents, employees, contractors, or invitees without the prior written consent of Grantor, which consent may be withheld if Grantee does not demonstrate to Grantor's reasonable satisfaction that such Hazardous Material is necessary or useful to Grantee's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises or Building.

(c) Grantee shall not cause or permit to be discharged into the plumbing or sewage of the Building any Hazardous Material.

(d) Without limiting or otherwise qualifying any provision hereof, Grantee shall, at its sole cost and expense, comply with any and all rules, regulations, codes, ordinances, statutes, and other requirements of any lawful governmental authority respecting Hazardous Material, pollution, harmful chemicals, and other materials in connection with Grantee's activities on or about the Rooftop Easement or Building and those of its agents, employees, contractors, or invitees. Grantee specifically agrees to comply with such requirements relating to the handling, use, storage, and disposal of Hazardous Material and other materials which are considered by any governmental authority as harmful, dangerous, toxic, flammable, or otherwise deserving special care.

(e) Grantee shall pay the full cost of any cleanup, remedial, removal, or restoration work performed on or about the Building (including posting a performance bond for the estimated cost of cleanup if required by Grantor) as required by any governmental authority in order to remove, neutralize, or otherwise treat Hazardous Material of any type whatsoever directly or indirectly placed by Grantee or its agents, employees, contractors, or invitees on or about the Building.

(f) Subject to the limitations of the Oregon Constitution and the Oregon Tort Claims Act, Grantee shall be solely responsible for and shall indemnify, defend, and hold Indemnified Parties harmless from any and all claims, judgments, damages, fines, liabilities, demands, causes of action, proceedings, hearings, losses, including without limitation, diminution in value of the Building, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Building, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorney's fees, consultant fees, and expert fees, which arise during or after the term hereof as a result of contamination by Hazardous Material from Grantee's use or activities, or the use or activities of Grantee's agents or contractors relating to the storage, placement or use of Hazardous Material (hereinafter collectively referred to as "**Claims**"). This indemnification by Grantee includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises or Building. Without limiting the foregoing, if the presence of any Hazardous Material on the Building caused or permitted by Grantee or its agents or contractors results in any contamination of the Building, Grantee shall promptly take all actions at its sole expense as are necessary to return the Premises or Building to the condition existing prior to the release of any such Hazardous Material to the Building, provided that Grantor's approval of such actions shall first be obtained.

10. Grantee Improvements and Alterations.

(a) Grantee shall be required to obtain the prior written approval of Grantor, consent shall not be unreasonably withheld, for any alterations or improvements to

the Premises or any changes in the configuration of the Portland Oregon Sign. This paragraph shall not be construed to prohibit the free expression of the City of Portland as long as the configuration on the Sign is not used for commercial advertisement.

(b) Any such alterations, additions or improvements shall be made at Grantee's sole cost and expense. In the event Grantee's alterations, additions or improvements require roof penetration, Grantee shall use Grantor's roofing contractor or such other contractor as Grantor reasonably approves. During the period any construction warranties are in existence concerning the Rooftop Easement or any portion thereof, Grantee shall use Grantor's contractors to complete Grantee's requirements pursuant to this paragraph 10. Grantor shall have ten (10) days after receiving Grantee's written notice of proposed work to respond or provide such written consent. Grantee shall also obtain Grantor's consent for the location of the staging area for any alterations, additions or improvements. Grantee shall provide Grantor copies of any plans and specifications. Grantee shall deliver to Grantor as-built plans showing all alterations within thirty (30) days following installation of the alteration. Grantee shall conduct all work and supervise all contractors so as to avoid unreasonably disturbing any other occupants of the Building. Grantee shall provide such construction insurance as may be reasonably required by Grantor. The Parties understand that Grantee must comply with State and City laws related to public contracts for good or services, public construction or improvement projects which may impact the selection of contractors and the use of Grantor's proposed contractors, and the selection or use of a particular contractor will be made with due consideration to the legal requirements. If Grantor's contractor is used for Grantee's improvements or alterations, any expenses or costs charged to Grantee must be reasonable and within the market range that Grantee may obtain directly pursuant to public bidding for the same services.

(c) All work performed by the Grantee shall be done in strict compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations and ordinances, and Grantee shall secure all necessary permits for the same. Grantee shall keep the Rooftop Easement free from all liens in connection with any such work. All work performed by the Grantee shall be carried forward expeditiously, shall not unreasonably interfere with any tenants of the Building, and shall be completed within a reasonable time. Grantor or Grantor's agents shall have the right at all reasonable times to inspect the quality and progress of such work.

(d) Grantee shall provide its own trash container(s) for construction debris; promptly remove all construction and related debris from the roof; and immediately following completion of construction, Grantee shall repair and restore any portions of the Rooftop Easement harmed as a result of the construction activities to the condition existing immediately prior to construction. Grantor's review and/or approval of any request for alterations, additions or improvements in or to the Rooftop Easement, and/or the plans and specifications with respect thereto, shall not create responsibility or liability on the part of Grantor, nor shall such review or approval evidence or constitute a representation or warranty by Grantor with respect to the action or undertaking approved or the completeness, accuracy, design sufficiency, or compliance of such plans or specifications with laws, ordinances, rules,

and /or regulations of any governmental agency or authority. Grantor and Grantee acknowledge that such items shall be Grantee's exclusive responsibility.

(e) Notwithstanding the foregoing, Grantee understands that the Building has been restored and maintained in a manner which is consistent with the historic character of the Building and meets the Secretary's Standards. As a result, the Grantee and Grantor agree to mutually cooperate to ensure all Grantee alterations and improvements comply with the Secretary's Standards. For these purposes, "Secretary's Standards" means the standards set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

11. **Repairs and Maintenance.**

(a) The following shall be the responsibility of Grantor:

(1) Repairs and maintenance of the roof and gutters, exterior walls, bearing walls, structural members, floor slabs, and foundation.

(2) Maintenance and repair of the Common Areas.

(b) The following shall be the responsibility of Grantee, at Grantee's sole cost and expense, and Grantee shall maintain all of the following in good condition and repair:

(1) The Sign and the electrical panel serving the Sign.

(2) Any repairs or alterations in the Rooftop Easement required under Grantee's obligation to comply with laws and regulations as set forth in paragraph 11(a) above.

(3) All other repairs and maintenance to the Rooftop Easement which Grantor is not required to make under subparagraph (a) above, which includes, without limiting the generality of the foregoing, utilities serving the Sign.

(c) All repairs, replacements, alterations or other work performed on or about the Property by Grantor shall be done in such a way as to interfere as little as reasonably possible with the Grantee's easement right or the ability of the public to view the Sign. Grantor shall give Grantee written notice of proposed Grantor activities where the activities may cause interfere with Grantee's easement rights or where the visibility of the Sign may be reduced.

12. **Liens.** Grantee shall keep the Building free from all liens, including construction, mechanic's and materialmen's liens, arising from any act or omission of Grantee or those claiming under Grantee. Notwithstanding the foregoing, in the event of a lien, Grantee shall remove said lien by applicable statutory bond procedure or otherwise discharge such lien within ten (10) days of written notice from Grantor. Grantor shall have

the right to post and maintain on the Rooftop Easement or the Building such notices of nonresponsibility as are provided for under the lien laws of the state in which the Building is located.

13. **Utilities and Services.**

(a) Grantee shall be solely responsible for all utilities serving the Sign.

(b) Grantor shall make available for Grantee's non-exclusive use the non-attended passenger elevator facilities of the Building during the Building's normal business hours.

14. **Indemnity.** The Indemnified Parties shall not be liable to Grantee, or to Grantee's employees, agents, invitees, licensees, contractors, or visitors, or to any other person, for any injury to person or damage to property or for consequential damages of any nature on or about the Building caused by any act or omission of Grantee, its agents, servants, or employees, or of any other persons entering upon the Premises or Building under express or implied invitation by Grantee; provided, however, subject to the provisions of paragraph 15 below, which provisions shall control the terms of this paragraph 14, an Indemnified Party shall be liable for actual damages resulting from its sole negligence or willful misconduct.

15. **Waiver of Subrogation.** Notwithstanding anything to the contrary contained in this Lease, but without limiting any other waiver set forth herein, Grantor and Grantee hereby mutually agree that in the event either Grantor or Grantee sustains a loss by reason of fire or any other event or casualty and such party is then covered (or is required by the terms of this Lease to be covered) in whole or in part by insurance with respect to such loss, then the party sustaining the loss agrees that, to the extent (but only to the extent) such party is compensated for such loss by its insurance (or to the extent the insurance required to be carried under this Lease by such party would have compensated the party for such loss), the party sustaining the loss shall have no right to recovery against the other party, its partners, officers, agents, contractors or employees, and waives any right of subrogation which might otherwise exist in or accrue to any third party. Grantor and Grantee agree that all policies of insurance obtained by them pursuant to the terms of this Lease shall contain provisions or endorsements thereto waiving the insurer's rights of subrogation with respect to claims against the other and, unless the policies permit waivers of subrogation without notice to the insurer, each shall notify its insurance companies of the existence of the waiver and indemnity provisions set forth in this Lease. In all events, but subject to any other waivers set forth herein, the party sustaining any loss which is required to be covered by insurance pursuant to the other provisions of this Lease may recover from the other party (assuming such other party otherwise has liability for the loss suffered) the amount of any deductible or excess loss under any applicable policy of insurance, to the extent of the deductible under such policy and/or such excess loss.

16. **Damage or Destruction.**

(a) If fifty percent (50%) or more of the gross leasable area, inclusive of the rooftop, of the Building is damaged, or if for reasons beyond Grantor's control or by virtue of any financing of the Building, sufficient insurance proceeds are not made available for the repair and restoration of the Building, then, in any of such events, Grantor may elect to terminate this Easement as of the date of damage or destruction by notice given to Grantee in writing not more than one hundred and twenty (120) days following the date of damage or after the date Grantor determines that the insurance proceeds will be insufficient, whichever is applicable. If such notice is given, all rights and obligations of the parties shall cease as of the date of termination. Any insurance which may be carried by Grantor or Grantee shall be for the sole benefit of the party carrying such insurance. Notwithstanding the above and in light of the benefits of the Sign to both parties, the parties will work together so that termination of this Easement would be a 'last resort' decision.

(b) In the absence of an election to terminate as described in subparagraph (a) above, Grantor shall proceed to restore the Building to substantially the same form as prior to the damage or destruction, so as to provide Grantee an equivalent Rooftop Easement to that before the damage or destruction. Work shall be commenced as soon as reasonably possible, and thereafter proceed without interruption, except for work stoppages on account of matters beyond the reasonable control of Grantor. The repairs shall be made at the expense of Grantor, subject to the availability of insurance proceeds and shall be accomplished with all reasonable dispatch. Grantor shall not be liable for interruption to Grantee's use of the Rooftop Easement. Grantee, at Grantee's expense shall repair and/or replace all of Grantee's property necessary for the operation of the Portland Oregon Sign.

16. **Condemnation.** If the entire Building shall be acquired or condemned by any governmental authority under its power of eminent domain for any public or quasi-public use or purpose, this Easement shall terminate as of the date of vesting or acquisition of title in the condemning authority and the rents hereunder shall be abated on that date.

17. **Grantee's Default.** It shall be an "Event of Default" by Grantee if Grantee fails to comply with any material term or condition or fulfill any material obligation of this Easement within thirty (30) days after the giving of written notice specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, this subparagraph shall be complied with if Grantee begins correcting the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable and provide Grantor with an estimated time table for correction of default.

18. **Remedies on Grantee's Default.** If an Event of Default occurs, Grantor may, at Grantor's option, exercise any one or more of the rights and remedies available in the state of Oregon to redress such default, consecutively or concurrently.

19. **Assignment and Subletting.** Grantee shall not assign or pledge this Easement, whether voluntarily, involuntarily or by operation of law, or permit the use or

occupancy of the Rooftop Easement by anyone other than Grantee without the written consent of Grantor, which consent shall not be unreasonably withheld so long as the assignee is a governmental, public, charitable or non-profit entity. In the event that Grantor shall consent to an assignment, Grantee shall pay Grantor's reasonable attorneys' fees and costs, incurred in connection with the processing of documents necessary to the giving of such consent.

20. **Subordination.** Grantee agrees that this Easement shall be subject and subordinate to any mortgage, trust deed or like encumbrance heretofore or hereafter placed by Grantor or its successors in interest upon its interest in the Building to secure the payment of monies loaned, interest thereon and other obligations. Grantor agrees to use Grantor's best efforts to provide Grantee a Non Disturbance and Attornment Agreement from the holder of any future mortgage, trust deed or like encumbrance. The terms of any Non-Disturbance and Attornment Agreement provided by Grantor shall also contain such covenants, conditions, restrictions, limitations, exceptions and the like as are reasonably necessary and customary for the protection and balancing of the competing interests of the Grantee, the Grantor's Lender and Grantor. Such Non Disturbance and Attornment Agreement shall also provide that no assignment or transfer of Grantor's rights hereunder to a lending institution as collateral security in connection with such encumbrance and no foreclosure sale or transfer in lieu of foreclosure shall affect Grantee's right to possession, use and occupancy of the Premises so long as Grantee is not in default hereunder. The failure by Grantor to obtain such Non Disturbance and Attornment Agreement shall not affect the subordination of this Easement to any such encumbrance. Grantee agrees to execute and deliver, within ten (10) days of such request by Grantor, any and all instruments desired by Grantor subordinating in the manner requested by Grantor to such mortgage, trust deed or like encumbrance. In the event of the sale of the Building upon foreclosure or upon the exercise of a power of sale, Grantee will, upon written request of the purchaser, attorn to the purchaser and recognize the purchaser as Grantor under this Easement.

21. **Estoppel Certificate.** Grantee shall from time to time, upon not less than ten (10) business days' prior notice, submit to Grantor, or to any person designated by Grantor, in a form presented by Grantor, a statement in writing certifying: (i) that this Easement is unmodified and in full force and effect (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof); (ii) that to the knowledge of Grantee no uncured default exists hereunder (or if such uncured default does exist, specifying the same); (iii) such other matters as may be requested by Grantor.

22. **Force Majeure.** Neither party shall be deemed in default for the nonperformance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if the same shall be due to any labor dispute, strike, lock-out, civil commotion or like operation, invasion, rebellion, hostilities, war, terrorism, bio-terrorism, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or causes beyond the reasonable control of such party, provided such cause is not due to such party's willful act or neglect.

23. **Grantor's Right to Cure Default.** If Grantee shall fail to perform any of the covenants or obligations to be performed by Grantee, Grantor, in addition to all other remedies provided herein, shall have the option to cure such default after thirty (30) days' written notice to Grantee. All of Grantor's expenditures incurred to correct the default shall be reimbursed by Grantee upon demand with interest from the date of expenditure by Grantor at a rate of nine percent (9%) per annum. Grantor's right to cure defaults is for the full protection of Grantor and the existence of this right shall not release Grantee from the obligation to perform all of the covenants herein provided to be performed by Grantee, or deprive Grantor of any other right which Grantor may have by reason of such default by Grantee.

24. **General Provisions.**

(a) **Complete Agreement.** There are no oral agreements between Grantor and Grantee affecting this Easement, and this Easement may not be modified, except by written instrument by the parties or their successors in interest. This Easement supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and other statements, if any, between Grantor and Grantee or displayed by Grantor to Grantee with respect to the subject matter of this Easement or the Building. There are no representations between Grantor and Grantee, other than those contained in this Easement, and all reliance with respect to this Lease is fully upon such representation.

(b) **Exhibits and Addenda.** Exhibits attached hereto and are incorporated herein and made a part of this Easement.

(c) **Waiver.** If either Grantor or Grantee waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant or condition contained in this Easement. Failure by Grantor or Grantee to enforce any of the terms, covenants or conditions of this Easement for any length of time shall not be deemed a waiver or to decrease the right of Grantor or Grantee to insist thereafter upon the strict performance by the party violating any of the terms, covenants or conditions of this Easement. Waiver by Grantor or Grantee of any term, covenant or condition contained in this Easement may only be made by an original written document signed by the waiving party.

(e) **Severability.** If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held to be invalid or unenforceable to any extent, the remainder of this Easement shall not be affected thereby and each term and provision of this Easement shall be valid and enforceable to the fullest extent permitted by law.

(f) **Notices.** All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be: hand delivered; transmitted by facsimile (with a duplicate copy sent by first class mail, postage prepaid); sent by certified or registered mail, postage prepaid, return receipt requested; or sent by reputable overnight courier service for

delivery on the next business day, delivery charges prepaid. Notices delivered by hand or by overnight courier shall be deemed given when actually received or when refused by their intended recipient. Facsimile notices shall be deemed delivered when a legible copy has been received (provided receipt has been verified by telephone confirmation or one of the other permitted means of giving notice pursuant to this paragraph. Mail notices shall be deemed received two (2) days following mailing. Notices shall be sent to Grantor and Grantee at the addresses set forth above. A party may change its address for notice by giving at least ten (10) days prior notice of such change to the other party. Any notice required hereunder may be given either by an agent or attorney acting on behalf of a party.

(g) Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties.

(h) Costs of Suit. In the event that any party to this Easement institutes a suit, action, arbitration, or other legal proceeding of any nature whatsoever, relating to this Lease or to the rights or obligations of the parties with respect thereto, including, without limitation, any proceeding seeking a declaration of rights, for rescission or under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law, the prevailing party shall be entitled to recover from the losing party its reasonable attorney, paralegal, accountant, expert witness (whether or not called to testify at trial or other proceeding) and other professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, including but not limited to deposition transcript and court reporter costs, as determined by the judge or arbitrator at trial or other proceeding, and including such fees, costs and expenses incurred in any appellate or review proceeding, or in collecting any judgment or award, or in enforcing any decree rendered with respect thereto, in addition to all other amounts provided for by law.

(i) Sale. In the event that the original Grantor or any successor in interest of Grantor in the Building shall sell or convey the Building, all liabilities and obligations on the part of the original Grantor or such successor under this Easement occurring thereafter shall terminate and thereupon all such liabilities and obligations shall be binding upon the new owner.

(j) Construction. The paragraph headings of this Easement are not a part of this Easement and shall have no effect upon the construction or interpretation of any parts of this Easement. If the context so requires, the singular pronoun shall be taken to mean and include the plural and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations, partnerships and individuals.

(k) Law Governing. This Easement shall be governed by the laws of the state of Oregon.

[Remainder of this page left intentionally blank]

25. Acceptance. Grantee hereby accepts Grantor's donation of this Easement.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Rooftop Easement in duplicate the day and year first herein written, any corporate signature being by authority of the Board of Directors.

White Stag Block, LLC

City of Portland, by and through the Office of Management and Finance

By: Venerable Group, Inc.,
its Manager

By: _____
Jeffrey L. Baer, Director

By: _____
Art DeMuro, President
GRANTOR

Title: Bureau of Internal Business Services
GRANTEE

Approved as to Form

City Attorney

Notarial acknowledgements appear on following page

STATE OF OREGON)
) ss.
County of Multnomah)

I certify that Art DeMuro appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of **White Stag Block, LLC** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20__.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of Multnomah)

I certify that Jeffrey L. Baer appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument as the authorized representative of the City of Portland and acknowledged it as the Director of the Bureau of Internal Business Services of the Office of Management and Finance, of the **City of Portland**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 20__.

Notary Public for Oregon
My Commission Expires: _____

Exhibit "A"

Legal Description

PARCEL I:

Lot 8 and the Northerly 30 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

PARCEL II:

Lots 1 and 4 and the South 20 feet of Lot 5, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM a parcel beginning at a point on the West line of Front Street in said City of Portland, 49.30 feet South of the Northeast corner of said Lot 1 and running thence Southerly along the West line of said Front Street a distance of 0.70 feet to a point in the North line of Burnside Street 100 feet to the Southwest corner of said Lot 1; thence Northerly along the West line of said Lot 1, a distance of 6.09 feet to a point; thence Easterly 100.14 feet to the place of beginning.

PARCEL III:

Lots 2 and 3, Block 9, COUCH'S ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

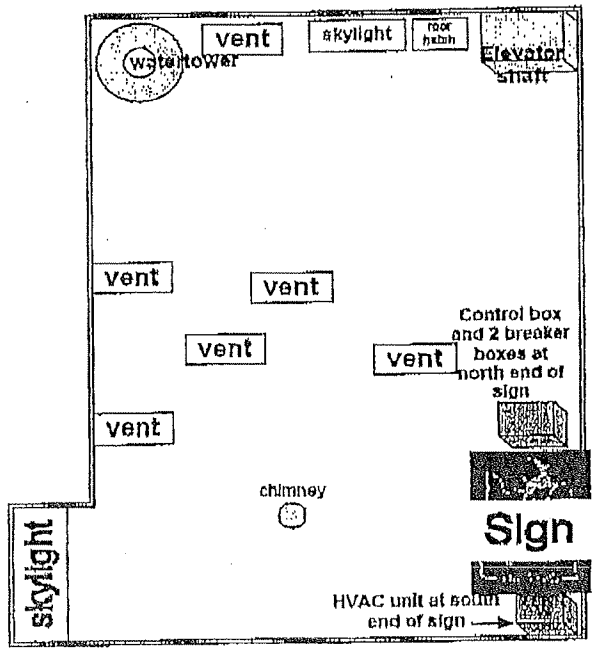
SUBJECT TO the rights of the public in and to that portion of Lot 2 taken for the widening of West Burnside Street.

AND SUBJECT TO the rights of the public in and to that portion of said Lots 2 and 3 taken for the widening of NW First Avenue.

Exhibit "B"

Rooftop Easement Area

EXHIBIT B



Nalto Parkway

Burnside