

# FINE ARTS BUILDING

## COMMERCIAL OFFICE GROSS LEASE

1017 S.W. MORRISON ST. \* PORTLAND, OR 97205-2650 \* 503-222-1038

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### 1. Basic Provisions

1.1 **Parties:** This Lease is made between

\_\_\_\_\_ ("Lessee"), &  
\_\_\_\_\_ ("Lessor"), (collectively "Parties"/ individually "Party").

1.2 **Rental Space:** Suite \_\_\_\_\_ consisting of approx. \_\_\_\_\_ rentable square feet & approx. \_\_\_\_\_

usable square feet ("Rental Space") located at: 1017 S.W. Morrison St.,  
in the City of Portland,  
in the County of Multnomah,  
in the State of Oregon,  
with zip code 97205-2650.

1.3 **Term.** The term of this Lease commences on \_\_\_\_\_ ("Start Date"), and expires on \_\_\_\_\_ ("End Date"). Provided that lease has not been in default, Lessee shall have the option to renew this lease on a periodic month-to-month basis by providing written notice to Lessor no less than thirty (30) days prior to the expiration of the initial Lease term. Accepted renewal shall be under the same conditions, covenants, provisions, and terms of this Lease. Monthly Lease may be terminated with 30 days notice by either the Lessor or the Lessee without cause or reason. Lessee may only terminate their agreement on the last day of any month and the Lessor must receive a written notification of non-renewal at least 30 days prior to the last day of that month. If the Lessee plans to leave on or after the first of any month, they are responsible for that months full rent. If the Lessee does not provide Lessor with a written 30 day notice, they shall forfeit their full deposit amount.

1.4 **Base Rent:** \$ \_\_\_\_\_ per month, payable on the first day of each month.

**A) Payment.** Lessee shall pay rent in full to Lessor, at Lessor's address as set forth herein, without offset or deduction, other than ¶7.4(C), on or before the date due. Acceptance of rent which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such rent, regardless of Lessor's endorsement of any check so stating, NOR is the acceptance of rent by Lessor a waiver of any breach or default by Lessee.

**B) Dishonored Payments.** In the event of dishonored payments (e.g. NSF/ returned check, cancelled check), Lessee agrees to pay Lessor the sum of \$ 35 (or bank market equivalent) NSF processing fee plus any late fees or legal fees, & may require future rent payments & charges be paid by money order or cashier's check.

**C) Late Fee's.**

**(a) Amount.** If Lessee does not make any payment of rent by the fifth (5<sup>th</sup>) day of the month, Lessee shall pay to Lessor, as **additional rent**, a late charge equal to ten (10) % of the existing Base Rent or \$ 25, whichever is greater. Parties hereby agree that such late charge represents a fair & reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late fees by Lessor shall not be a waiver of any default or breach by Lessee, nor prevent the exercise of any rights & remedies granted herein. Late fees are to be paid with the delinquent rent payment. If rent is not received by the tenth (10<sup>th</sup>) day of the month, Lessee will be considered in breach of the Lease & eviction proceedings may be initiated.

**(b) Lien.** As lien provided by law, Lessor may have a lien upon all property situated upon the Rental Space for rents due, additional charges due, &/or any collections fees due, including late fees.

**1.5 Deposits**

**A) Security Deposit.** Lessee shall pay a Security Deposit for Lessee's faithful performance of its obligations under this Lease. Lessor may use deposit for any damage, expense, liability, or loss which Lessor may suffer or incur. Lessor is not limited to the Security Deposit amount & Lessee remains liable for any balance. Lessee shall not use or apply Security Deposit in lieu of payment of rent. Security Deposit will be returned upon Lessee's vacating, if Rental Space is left in an undamaged, clean, rentable condition as determined by Lessor. However, if Lessee terminates Lease within first six (6) months, deposit will not be returned to Lessee. The parties agree such unreturned deposit represents fair & reasonable compensation for the additional costs that Lessor may incur for reletting (i.e. time invested in advertising, showing premises to prospects, and financial loss in vacancy). If Lessee breaches any terms or conditions of this Lease, Lessee shall forfeit any deposit, as permitted by law.

**B) Last Month's Rent Deposit.** Last months' rent deposit, if required, may be used for rent as the remaining 30 days of Lease term.

**C) Key Deposit.** A key deposit of \$ 25 is required. Lessee receives one (1) set of keys to: Rental Space, trash room, bathroom, & building front door. The keys are the sole responsibility of the signing Lessee. Lessee may not re-key space. Lessor must be informed immediately of any lost keys, or anyone (e.g. *employee*) who has access or given a key to Lessee's Rental Space. Lost keys may lose deposit; new deposit is required for a new set of keys. The building front door key is handled strictly through the Building Agent. The building front door key may not be shared with, or used by, any other person than signing Lessee. Any re-keying or additional keys made by Lessor for Rental Space will be charged for at market rate for re-keying & labor. There can be an additional minimum charge of \$ 25 (or market handyman fee) per occurrence for requested lock change, lock out, lost key, or forgetting keys.

**D) Proportional Increase.** If Base Rent increase, Lessee shall, upon written request of Lessor, deposit additional monies with Lessor so that the total amount of the above deposits shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent.

**1.6 Monies Paid Upon Execution:**

- A) Pro-rated Rent     \$ \_\_\_\_\_ for period \_\_\_\_\_
- B) Base Rent           \$ \_\_\_\_\_ Start Date \_\_\_\_\_
- C) Security Deposit   \$ \_\_\_\_\_
- D) Last Month's Rent \$ \_\_\_\_\_
- E) Key Deposit         \$ \_\_\_\_\_
- F) Other               \$ \_\_\_\_\_ for \_\_\_\_\_

**1.7 Building Hours:**

- Monday - Friday. . 7:30 AM to 7:30 PM
- Saturday . . . . . 7:30 AM to 6:00 PM
- Sunday . . . . . closed
- Holidays . . . . . closed (New Year's, Memorial, Independence, Labor, Thanksgiving, & X-mas)

Furniture and bulky articles delivery & removal to take place during building open hours only; independent use of the elevators only at times approved by Lessor following at least 24 hours' written notice to Lessor of the intended move.

No one (Lessee, Lessee's invitees, or otherwise) is allowed in the building between the hours of 12:00 Midnight & 6:00 AM daily. Anyone in the building between 12:00 Midnight & 6:00 AM will be trespassing & treated as such.

**1.8 Lessor Supplied Utilities & Services**

**A) Services Exclusive to Lessee.** Within the Rental Space, Lessee shall be responsible for: cleaning, carpet/ flooring renovation, replacement light bulbs, telephone/ Internet/ data service, & electricity upgrade for demands beyond the limits of what present circuit breaker may supply (¶3.5 Electrical). Lessee is responsible for interior & non-structural repairs of the Rental Space, and for the direct costs of structural repairs when caused by negligence of Lessee or its invitees.

**B) Services Provided by Lessor.** Lessor shall provide the following within the Rental Space: utilities, reasonable amounts of electricity within the limits of present building capacity, water (limited to integrity of present plumbing). Lessor shall provide the following within the Common Areas: utilities, electrical, grounds & building maintenance, janitorial, lighting, plumbing/ water for lavatory use in restrooms. Lessor is responsible for repairs to the structural and exterior portions of the building, the roof, the building's mechanical systems (e.g. plumbing, electrical, and heating system).

**C) Hours of Service.** Said services & utilities shall be provided during building hours. Utilities & services required at other times may be subject to advance notice & reimbursement by Lessee to Lessor of the cost thereof. The building steam heat in the cooler seasons (i.e. late autumn, winter, & early spring) is available during the building open hours & limited usage during the building closed hours.

**D) Excessive Use.** Lessee shall not make connection to utilities except by or through existing outlets & shall not install or use equipment/ machinery in or about the Rental Space that uses excess water, power, or permit any act that causes extra burden upon the utilities or services. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of breach by Lessee.

**E) Interruptions.** There shall be no abatement of rent & Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption, or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair, or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

**1.9 Policies.** Attached hereto are the following, all of which constitute part of this Lease ("Policies"):

- Common Areas Policy
- After Hour & Front Door Policy
- Recycling Policy
- No Smoking Policy

Copies of which have been provided to Lessee. Lessee agrees & is solely responsible to inform anyone using Rental Space of these Policies or any notice that may apply to them.

Lessor shall have the exclusive control & management of the Policies & shall have the right, from time to time, to adopt, modify, amend, & enforce reasonable Policies for the management, safety, care, & cleanliness of the grounds for the preservation of good order & convenience of other Lessees of the Building & their invitees. Lessee agrees to abide by & conform to all such Policies, & shall use its best efforts to educate its invitees of same. Lessor is NOT responsible to Lessee for the non-compliance with said Policies.

## **2. Rental Space**

**2.1 Letting.** While the approx. sq. footage of the Rental Space may have been used in the marketing of the Rental Space for comparison, the Base Rent stated herein is NOT tied to sq. footage & is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

**2.2 Condition.** Rental Space shall be delivered to Lessee in a clean condition on the Start Date. Lessee understands that due to the age of the historic Fine Arts Building, which maintains many of its original fixtures, electrical (knob-and-tube), plumbing & steam pipes (iron & lead), & structural build may have *incurable defects* & may not be financially feasible to maintain its integrity without significantly increasing the Base Rent. Lessee is therefore renting office space "as is" in the condition now existing with no alterations or other work to be performed by Lessor, unless otherwise stated in writing.

**2.3 Acknowledgements.** Lessee acknowledges that:

- A)** it has been given an opportunity to inspect, investigate, measure the Rental Space, & make any necessary inquiries about the Rental Space & Building to its full satisfaction
- B)** it has been advised by Lessor to satisfy itself with respect to the size & condition of the Rental Space (including but not limited to the electrical, fire sprinkler systems, plumbing, security, environmental aspects, & compliance with Applicable Requirements, & their suitability for Lessee's intended use)
- C)** Lessee has made an investigation as it deems necessary with reference to such matters & assumes all responsibility therefor as the same relate to its occupancy of the Rental Space
- D)** it is not relying on any representation as to the size of the Rental Space made by Lessor, & sq. footage was not material to Lessee's decision to rent the Rental Space & pay rent stated herein
- E)** neither Lessor nor Building Agent has made any promises, representations, verbal agreements, warranties, or other *understandings* with respect to said matters other than as set forth in this Lease
- F)** in addition, Lessor acknowledges that: (i) Building Agent has made no representations, promises, or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Rental Space, & (ii) it is Owners sole responsibility to investigate the financial capability and/or suitability of all proposed Lessee's.

**2.4 Common Areas - Defined.** Areas designated by Lessor for the general & non-exclusive use of Lessee's & their invitees include, but not limited to: common entrances, corridors, elevator, hallways, lobby, restrooms, & stairwells. Areas NOT permitted include, but not limited to: basement, non-emergency use of fire escape, & rooftop (anyone in these areas without Lessor approval will be trespassing & treated as such).

**2.5 Common Areas - Lessee's Rights.** Under no circumstances shall the right herein be granted to use Common Areas for storing any property, temporarily or permanently. In the event that any unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to

such other rights & remedies it may have, to remove the property & charge the cost to Lessee, which cost shall be immediately payable upon demand to Lessor. (See *Common Areas Policy* attached.)

### 3. Use

**3.1 Agreed Use.** Lessee will use the Rental Space solely for \_\_\_\_\_  
("Agreed Use"). Lessee may not use the Rental Space for any other purpose.

**A) Permitted Uses.** Includes business, commercial, or general office purposes consistent with first-class office buildings in the surrounding area.

**B) Prohibited Uses.** Includes: (a) retail sales, auction/ liquidation sales, residential; (b) anything that would void Lessor or Lessee insurance, or increase insurance risk; (c) installing any device on the outside of the building or in the common areas; (d) excessive loads on ceilings, floors, or walls; (e) offensive or objectionable noise, vibrations, or odor emitted from the Rental Space; (f) any unlawful purpose.

**C) Impermissible Uses.** In addition to Prohibited Uses, any use of the Rental Space for the following are not considered to be Office Use & will NOT be permitted: (a) sovereign or diplomatic immunity; (b) clinical, medical, psychiatric/ mental illness, or dental practice; (c) employment agency or bureau; (d) distribution of governmental payments, benefits, or information to persons that personally appear on the premises; & (e) any use that will attract a high volume, frequency, or type of visitor that is inconsistent with the standards of a high quality, first-class office building in the downtown Portland central commercial area, or that will in impose an excessive demand, strain, stress, or use on the facilities/ services of the Building.

**D) Alterations; Assignment; Responsibility.** Lessee may not alter or change any part of this Lease or any building policy. Lessee may not assign/ sublease to anyone else without additional written agreement of Lessor. Lessee shall not allow anyone else to use Rental Space, or issue a Rental Space key without Lessor approval in writing. Any assignment/ subleasing without Lessor's consent shall, at Lessor's option, terminate this Lease. Lessee is solely responsible for Rental Space & anyone using Rental Space.

**E) Advertising.** Lessee advertising is limited to Lessee's office door (glass portion) & lobby directory. Lessor has final approval on Lessee signs. No a-frame boards (sidewalk board, sandwich board), or other postings in front of building (limited space reserved for street-level retail shops only).

**F) Noise.** Lessee has been informed of the usages around his or her Rental Space, agrees to refrain from making loud noises & disturbances, & to keep audible volumes low at all times so as not to disturb others around them.

**G) Condition.** Lessee agrees to maintain Rental Space in good condition at all times.

**3.2 Liability.** Lessee will not allow any unlawful, improper, hazardous, or offensive use of Rental Space that creates (whether actual or potential) damage, disturbance, nuisance, &/or waste. Lessee agrees to accept all liability for any damages or injury caused by Lessee or a person using Lessee space or building premises.

**3.3 Insurance.** Lessor will not be liable for any damages or injury to Lessee or any other person from whatever cause arising from use of Lessee's Rental Space. Lessee therefore needs to provide own commercial general liability & personal damage insurance (Ref: ¶5 Insurance).

**3.4 Pets.** Pets are NOT allowed in the Fine Arts Building other than guide or service dogs, & must be kept on leash or caged. No Lessee or person using Lessee Rental Space may keep any kind of pet on a daily basis.

**3.5 Electrical.** Lessee agrees to fire regulations prohibiting extension cords & requiring the use of quality circuit breaker power strips. Lessee is aware that he or she needs to use quality electrical protection devices for any electronic equipment. Lessee understands age of the historic building, its sensitive knob-and-tube electrical wiring, & as a result may NOT install any heavy electrical draw items (incl. but not limited to: a/c, coffee pot, kettle, microwave, refrigerator, space heater, etc.) in Rental Space. Lessee's Rental Space has access to one (1) circuit breaker(s) totaling twenty (20) amps (2,400 watts), & any electrical equipment may collectively & safely utilize a maximum of eighty (80%) percent (sixteen (16) amps/ 1,920 watts) of circuit breaker(s). CAUTION: Some circuit breakers may divide/ share with surrounding offices.

### **3.6 Hazardous Substances**

**A) Defined.** Any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials is either: (a) potentially injurious to public health, safety, welfare, or environment, (b) regulated or monitored by any government authority, (c) a basis for potential liability of Lessor to any governmental agency or third party under applicable common law theory. Hazardous Substances may include, but not limited to: combustible items, crude oil, gasoline, hydrocarbons, petroleum, or by-products, or fractions thereof. No Hazardous Substance is permitted anywhere in or on property.

**B) Duty to Inform.** Lessee is responsible to notify Lessor immediately of potential Hazardous Substances & documentation concerning presence of such, including copies of relevant material safety data sheets (MSDS) to Lessor.

### **3.7 Miscellaneous Compliance; Water Damage**

**A)** Lessee shall not conduct any activities, nor permit the premises to fall into a state of disrepair, or disorder, that will increase hazards on the premises or cause an increase in

Lessor's insurance rates for any portion of the building. Nor shall Lessee conduct any activities that will in any manner degrade or damage the premises or their reputation.

**B)** Lessee shall immediately give notice to Lessor of: (1) any water damage to the premises & any suspected seepage, pooling dampness, or other condition conducive to the production of mold; or (2) any mustiness or other odors that might indicate the presence of mold in the premises.

**3.8 Rental Space Access.** Lessee agrees not to deny access to Rental Space. Lessor, or representatives, may at any time enter into Lessee's Rental Space for the purpose of: (1) examining the condition of Lessee's premises, (2) verify Lessee's compliance with this Lease, (3) to perform necessary services, maintenance, repairs, or alterations to the building, (4) to show premises to prospective Lessees or purchasers, or (5) for any lawful purpose. Except in case of emergency, such entry shall be at a reasonable time & in such a manner as to minimize interference with the business use of the Rental Space by Lessee. Cost of many inspections may be paid by Lessor, unless a violation of building Policies is found, or a Hazardous Substance Condition is found to exist or is requested/ ordered by a governmental authority. Lessee shall reimburse Lessor for costs of inspection that is reasonably related to contamination or violation. Lessee is aware of the *Portland Fire Bureau Fire Safety Inspection Program* and the individual charge to Lessee for this service. (See also ¶10 Quiet Possession).

#### **4. Maintenance, Repairs, & Alterations**

**4.1 Lessee's Obligations.** Lessee will, at Lessee's sole expense, keep & maintain the Rental Space in good, clean, sanitary condition & repair during the term of this Lease & any renewal thereof. Lessee shall be responsible for payment of the cost thereof to Lessor, as **additional rent**, for proportional costs of any maintenance & repair to the Rental Space, or any equipment (wherever located) that serves only Lessee or the Rental Space, to the extent such cost is attributable to abuse, misuse, neglect, waste, or causes beyond normal wear & tear by Lessee or its invitees. Lessee shall promptly notify Lessor of any damage, defect, destruction, or failure of appliances, equipment, or fixtures of the Rental Space. Lessor will use its best efforts to repair or replace any such damaged or defective areas, appliances/ equipment.

**4.2 Lessor's Obligations.** Subject to provisions herein, Lessor shall keep in good order, condition, & repair of the building premises. Lessor reserves the right to alter, repair, or improve the building or add to the building; & for that purpose Lessor's representatives, contractors, & workers may enter in or about the premises & Rental Space with such materials as Lessor may deem necessary to effect that purpose, & Lessee hereby waives any claim against Lessor for damages, including loss of business resulting from such alterations, repairs, or improvements.

#### **4.3 Changes to Rental Space**

**A) Defined.** References to *alterations, improvements, installations, modifications, or esthetic/ structural changes*, whether by addition or deletion, include but not limited to: decoration,



equipment, fittings, fixtures, machinery, &/or painting; (e.g. carpeting, flooring, communications cabling, lighting fixtures, electrical distribution/ power panels, plumbing, wall hangings, windows & window coverings, etc.)

**B) Consent.** Lessee, or any other person using Lessee's Rental Space, may not make changes of any kind to Rental Space or any area of the building premises without written consent of Lessor. Any changes desired must be made in written form with detailed plans. Any approved electrical or plumbing must be guaranteed by a licensed professional only. For work which costs an amount in excess of one month's Base Rent, Lessor may require additional Security Deposit.

#### **4.4 Ownership, Removal, Surrender, & Restoration**

**A) Ownership.** Lessee modifications to Rental Space, at the expiration/ termination of this Lease, shall become the sole property of Lessor & be surrendered by Lessee with the Rental Space.

**B) Removal.** At the expiration/ termination of this Lease, Lessor retains the right to require Lessee to remove at Lessee's own expense any alterations, additions, or improvements made by Lessee during the Lease term, & to repair any damage to the Rental Space resulting from such removal. Lessor may require the removal at any time of all or any part of any Lessee made changes made without the required consent.

#### **5. Insurance; Indemnity**

**5.1 Carried by Lessee.** Lessee shall obtain & keep in force a Commercial General Liability policy of insurance protecting Lessee, & Lessor as an *additional insured* or "certificate holder", against claims for: (1) bodily &/or personal injury, (2) damages to rented premises incl. fire, (3) & all areas appurtenant thereto. Insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$ 1,000,000 per occurrence with an annual aggregate of not less than \$ 2,000,000. Limits of insurance shall not limit the liability of the Lessee, nor relieve Lessee of any obligation herein. Lessee owned alterations, equipment, fixtures, installations, & Lessee personal property shall be insured by Lessee, not by Lessor.

**5.2 Carried by Lessor.** Lessor shall maintain liability insurance as described in ¶5.1 above, in addition to, & not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as *additional insured*.

#### **5.3 Exemption of Lessor & its Agent from Liability.**

Notwithstanding the negligence or breach of the Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) property damage to Lessee/ Lessee's invitees, (ii) injury to Lessee, Lessee's invitees, Lessee's business, or (iii) any damages arising from neglect of any other Lessee of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other agreement; whether such damage or injury is caused by or results from

electricity, fire, gas, steam, water, indoor air quality, presence of mold or from breakage/ leakage/ obstruction of pipes, appliances, HVAC, lighting fixtures, plumbing, wires, appliances, or from any other cause, whether the said damage or injury results from conditions arising upon the Rental Space or upon other premises of the Building, or from other sources or places. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain herein.

**5.4 Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain/ maintain insurance required herein will expose Lessor to risks & potentially cause Lessor to incur costs not contemplated by this Lease. Accordingly, for any month that Lessee does not maintain the required insurance &/or does not provide Lessor with the required certificates evidencing the existence of the required insurance, the Base Rent shall automatically be increased, without any requirement for notice to Lessee, by an amount equal to ten (10) % of the existing Base Rent or \$ 100, whichever is greater. The parties agree that such increase in Base Rent represents fair & reasonable compensation for the additional costs/ risks that Lessor will incur by reason of Lessee's failure to maintain required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's breach or default with respect to the failure to: (i) maintain such insurance, (ii) prevent the exercise of any of the other rights & remedies granted herein, nor (iii) relieve Lessee of its obligation to maintain insurance.

## **6. Damages, Repair, Abatement**

**6.1 Casualty Damage.** If Rental Space suffers damage by fire or other casualty, Lessor may terminate this Lease as of the date of loss.

**6.2 Lessor's Duty to Repair.** If the Rental Space is not totally destroyed, Lessor may elect to repair the Rental Space, & may give Lessee written notice within 30 days after the date of loss; if Lessor fails to give written notice, Lessor shall be deemed to have elected not to repair the Rental Space, & the Lease shall terminate as of the date of loss. If Lessor elects to repair, Lessee shall comply with Lessor's reasonable request to vacate all or any part of the Rental Space during reconstruction, & Lessor shall repair Rental Space promptly.

**6.3 Lessee's Duty to Repair.** If damages or destruction to Rental Space or building premises was caused by the negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee. Lessor may also elect to terminate this Lease by giving notice to Lessee within 30 days after receipt of Lessor's knowledge of the occurrence of such damage. Such termination shall be effective 30 days following date of such notice.

**6.4 Abatement.** For time after the date of loss, & until necessary repairs have been substantially completed, there shall be an abatement of rent in proportion to Lessee's loss of use of the Rental Space. If damages are minor, & no material disruption of Lessee's business occurs as a result of such damage, there shall be no abatement of rent & Lessor shall repair the damage promptly.

## **7. Breach, Default, Remedies**

**7.1 Cause for Eviction.** Lessee agrees & understands this Lease & Policies of Fine Arts Building, & agrees that any violation of these agreements may be cause for eviction/ terminate this Lease, & agrees to pay all cost & legal fees to process eviction or rent collection.

**7.2 Termination.** Lessee agrees that any negotiable instrument (i.e. rents, deposits, fees) for this Lease returned to Lessor (i.e. NSF/ non-sufficient funds, dishonored payments), may terminate this Lease at Lessor's option. The expiration/ termination of this Lease shall not relieve Lessee from liability as to matters occurring or accruing during the term hereof.

**7.3 Trespassing.** Lessee understands that while the Fine Arts Building is publicly accessible during business hours, it is private property of the Lessor who designates its sole use for Lessees & their invitees only.

### **7.4 Remedies**

**A) Breach by Lessee.** In the event of a breach (default; failure to perform or fulfill obligations), Lessor may, with or without further notice or demand, & without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such breach, terminate Lessee's right to possession of the Rental Space by any lawful means, in which case this Lease shall terminate & Lessee shall immediately surrender possession to Lessor. In such event, Lessor shall be entitled to recover from Lessee unpaid rent & amounts necessary to compensate Lessor for detriment proximately caused by the Lessee's failure to perform its obligations under this Lease (i.e. cost of recovering possession of the Rental Space, expenses of reletting, necessary renovation, cleaning, alteration of the Rental Space, & reasonably legal fees).

**B) Breach by Lessor.** Lessor shall be in breach of this Lease if Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. Reasonable time shall be no less than 30 days after receipt by Lessor of written notice specifying wherein such obligation of Lessor has not been performed; provided however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall NOT be in breach if performance is commenced within such 30 day period & thereafter diligently pursued to completion.

**C) Performance by Lessee on Behalf of Lessor.** In the event Lessor does not cure breach within 30 days after receipt of notice, or if having commenced cure did not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense & offset from Base Rent the actual & reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure & supply said documentation to Lessor.

**7.5 Interest.** Any monetary payment due Lessor herein (e.g. unpaid rent, or additional charges) not received by Lessor when due shall bear interest at the rate of eighteen (18) % per annum (or maximum rate permitted by law) from the date such charges became due until paid.

**8. Security Measures**

Lessee hereby acknowledges that the rent payable to Lessor herein does not include the cost of any alarm system or other security service, & that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Rental Space, Lessee, Lessee's property, Lessee's agents/ invitees & their property from the acts of third parties. Lessee has been made aware that the Fine Arts Building uses video & audio surveillance equipment & that this equipment is set to recording devices for building security in all common areas of the building, except for building restrooms.

**9. Accessibility; Americans with Disabilities Act**

Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessor's specific use of the premises, Lessor makes no warranty or representation as to whether or not the premises comply with ADA or any similar legislation. In the event that Lessee's use of the premises requires modifications or additions to the premises to be in ADA compliance, Lessee agrees to make such necessary modifications and/or additions at Lessee's expense.

**10. Quiet Possession.** Subject to payment of rent by Lessee & performance of agreements & all covenants, conditions, & Policies on Lessee's part to be observed & performed under this Lease, Lessee shall have *quiet possession/ quiet enjoyment* (non-disturbance of Rental Space by Lessor/ Building Agent until breach or default).

**11. Condemnation/ Eminent Domain.** If the premises are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as of the date the condemning authority takes title or possession, whichever first occurs. In case of termination under this paragraph, Lessee shall not be liable for rent for any condemned or purchased part of the premises after the termination date; but where the condemnation takes only part of the premises, & Lessee remains in possession of the remainder of the Rental Space under this Lease, Lessor shall determine the amount of reduction in rent & other charges in relation to the condemned part of the premises. Lessee shall not be entitled to & hereby expressly waives any right to any part of the condemnation award or purchase price.

**12. Conveyance By Lessor.** If the premises are sold or otherwise conveyed by Lessor or any successor, so long as Lessee is not in default, Lessor shall cause such successor to recognize Lessee's rights hereunder, & Lessee shall attorn to the buyer or transferee & recognize that party as the Lessor under this Lease. If the buyer or transferee assumes all obligations of Lessor under

this Lease accruing thereafter, Lessor shall be deemed released of all further liability to Lessee under this Lease.

**13. Subordination; Estoppel.** This Lease shall be subordinate to any ground lease, mortgage, trust deed or other security interest that may now be or that Lessor may in the future place upon the real property of which the Rental Space is a part, unless the holder of such interest notifies Lessee in writing that this Lease shall be prior to the holder's interest. Lessee hereby agrees to execute any documents required by any of Lessor's lenders to effectuate subordination. Further, Lessee shall, upon request of Lessor, execute a statement certifying the current terms of this Lease, reflecting all payments Lessee has made to the date of the statement under this Lease, specifying Lessor's defaults or lack thereof, & certifying such other matters as Lessor may reasonably request. Lessor's purchasers or lenders may conclusively rely upon any such statement executed by Lessee, & if Lessee fails or refuses to execute such statement within fourteen (14) days of Lessor's written notice thereof to Lessee, Lessor's purchasers or lenders may conclusively accept Lessor's representations as to all terms, payments, & defaults of Lessee or of Lessor hereunder.

**14. Heirs & Assigns.** All of the rights, remedies, & obligations given to, imposed upon, or undertaken by the parties to this Lease shall extend to, inure to the benefit of & bind, as the circumstances may require, the heirs, successors, officers, agents, insurers (except as set forth herein), executors or personal representatives, & assigns (except as set forth herein) of each party.

**15. Owner's Rental Ads.** During the thirty (30) days prior to expiration/ termination of this Lease, Lessor may advertise Rental Space as available for rent.

**16. Vacating Premises.** At the time of expiration or termination of the Lease, Lessee shall peacefully surrender Rental Space to Lessor in good condition & operating order, clean & free of debris; reasonable use/ ordinary wear & tear excepted. "Ordinary wear & tear" shall include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less &/or not renewed, then Lessee shall surrender the Rental Space in the same condition as delivered to Lessee on the original Start Date with NO allowance for ordinary wear & tear. Lessee shall repair any damage occasioned by the installation, maintenance, or removal of any alterations, installations, furnishings, & equipment. Any personal property of Lessee not removed on or before the expiration date/ termination date shall be deemed abandoned property & disposed of as Lessor see fit & may be charged a fee for doing so.

**17. Holding Over.** If Lessee fails to vacate Rental Space after expiration/ termination of this

Lease, including failure to remove all its personal property, Lessor may elect either: (i) to treat Lessee on a month-to-month basis, subject to the provisions of this Lease except Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration/ termination; or (ii) to treat Lessee as trespassing, eject Lessee from the Rental Space & Premises (using self-help or otherwise) and recover damages caused by wrongful holdover.

**18. Liens.** Lessee shall not permit any lien of any kind to be placed upon any portion of the premises or the building in which the Rental Space is situated, or upon the land on which it stands.

**19. Non-waiver.** Neither the termination of this Lease by forfeiture nor the taking or recovery of possession of the Rental Space by Lessor shall deprive Lessor of any other action, right, or remedy against Lessee for possession, rent, or damages; nor shall any omission by Lessor to enforce any forfeiture, right, or remedy to which Lessor may be entitled be deemed a waiver by Lessor of the right to enforce Lessee's performance of the terms & conditions of this Lease. Unless otherwise provided in writing, any waiver by Lessor of any breach of this Lease by Lessee (including a failure to enforce & provision of this Lease) shall not be a continuing waiver, & shall not operate to prevent Lessor from seeking its remedies for any subsequent breach by Lessee, whether or not Lessee's subsequent breach is of the same provision earlier waived or not enforced by Lessor.

**20. Indemnification.** Except for Lessor's gross negligence or willful misconduct, Lessee shall defend, indemnify, protect, & hold harmless the premises, Lessor & its agents, partners, & lenders from & against any & all claims, damages, injury to or death of any person, judgments, liabilities, liens, loss of rent, penalties, legal fees, &/or other expenses arising from, involving, or connection with the use of the Rental Space/ premises & building facilities by Lessee or its invitees.

**21. Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its directors, employees, members, officers, partners, shareholders. Lessee shall look to the premises of the Fine Arts Building, & to no other asset of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease. Lessee shall not seek recourse against Lessor's directors, employees, members, officers, partners, or shareholders, or any of their personal assets for such satisfaction.

**22. Legal Fees.** In the event that the Lessee violates the terms of the Lease or defaults in the performance of any covenants in the Lease & the Lessor engages an attorney or institutes a legal action, counterclaim, or summary proceeding against Lessee based upon such violation or default, Lessee shall be liable to Lessor for the costs & expenses incurred in enforcing this Lease,

including reasonable attorney fees & costs. In the event the Lessee brings any action against the Lessor pursuant to this Lease & the Lessor prevails, Lessee shall be liable to Lessor for costs & expenses of defending such action, including reasonable attorney fees & costs.

**23. Performance Under Protest.** If at any time a dispute shall arise to any amount of sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" & such payment shall not be regarded as a voluntary payment & there shall survive the right on the part of said Party to institute suite for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

**24. Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their legal/ personal representatives, heirs, successors & assigns, & be governed by the laws in which the Rental Space is located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Rental Space is located.

**25. Waiver of Jury Trial.** The Parties hereby waive their respective rights to trial by jury in any action or proceeding involving the property or arising out of this Lease.

**26. Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

**27. Cumulative Remedies.** No remedy or election herein shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**28. Covenants & Conditions.** All provisions of this Lease to be observed or performed by Lessee are both covenants & conditions.

**29. Definition of Lessor.** The term "Lessor" as used herein shall mean the owner at the time in question of the fee title to the building premises &/or Rental Space. In the event of a transfer of Lessor's title or interest in the Rental Space or his assignment & delivery of the Security Deposit to the assignee/ transferee, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations under this Lease thereafter to be performed by Lessor. Subject to the foregoing, the obligations and/ or covenants in this Lease to be performed

by the Lessor shall be binding only upon the Lessor as herein above defined.

**30. Time of Essence; Days.** *Time is of the essence* with respect to the performance of all obligations to be performed or observed by the Parties under this Lease. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean & refer to calendar days.

**31. Construction of Agreement.** Headings are inserted for the convenience of the Parties only & are not to be considered when interpreting this Lease. Words in the singular mean & include the plural, & vice versa. Words in the masculine mean & include the feminine, & vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

**32. Offer.** Preparation of this Lease by either party, or their agent, & submission of same to the other Party shall NOT be deemed an offer to rent to the other Party. This Lease is not intended to be binding until executed & delivered by all Parties hereto.

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**Additional Provisions.** The parties further agree as follows (if no further provisions are needed, state "none"):



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**Notes.** Supplemental items of interest:

**Re: Condition of Building**

The Fine Arts Building is a historic building (1906), and graded as a “class C” building structure. It is rented/ leased as an older, un-renovated building, in average to fair condition. (Ref: ¶2.2 Condition)

**Re: Keys**

For everyone’s security & protection, please do not: (1) label keys, or (2) hide spare keys on the premises.

**Re: Portland Fire Bureau Fire Safety Inspection Program**

<http://www.portlandoregon.gov/fire/26187>

<http://www.portlandoregon.gov/fire/article/389751>

Phone: 503-823-3700

E-Mail: [firemarshal@portlandoregon.gov](mailto:firemarshal@portlandoregon.gov)

(Ref: ¶3.8 Rental Space Access).

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**OFFICE USE:**       photo ID       SS card       copy of insurance w/ A.I.

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Lessor/ Building Agent & Lessee have carefully read & reviewed this Lease & each term & provision contained herein, & by the execution of this Lease shows their informed & voluntary consent thereto. The Parties hereby agree that, at the time this Lease is executed, the terms of this Lease are commercially reasonable & effectuate the intent & purpose of Lessor & Lessee with respect to the Rental Space.

**Parties are urged to:**

- 1) Seek advice of council as to the legal & tax consequences of this Lease.
- 2) Retain appropriate consultants to review & investigate the condition of the Rental Space. Said investigation should include, but not limited to: (a) the possible presence of hazardous substances, (b) zoning & size of the Rental Space, (c) structural integrity, (d) condition of ceiling, floors, & walls, (e) compliance with ADA, & (f) suitability of the Rental Space for Lessee’s intended use.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed at & on the date written below.

**Executed at:** Fine Arts Building  
1017 S.W. Morrison St.  
Portland, OR 97205-2650

**On:** \_\_\_\_\_

**By Lessor/ Building Agent**

**By Lessee**

**Business:** Fine Arts Building

**Business:** \_\_\_\_\_

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Printed:** \_\_\_\_\_

**Printed:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Address:** 1017 SW Morrison St, LBBY  
Portland, OR 97205-2650

**Addresses:** \_\_\_\_\_  
\_\_\_\_\_

**Telephone:** 503-222-1038

**Telephone:** \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

**E-Mail:** \_\_\_\_\_

**Emergency:** \_\_\_\_\_

**Emergency:** name

**Telephone:** \_\_\_\_\_

**Telephone:** number