

() Discussion only

(X) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: CARE Lease

| | |
|---|---|
| <p>Background:</p> <p>Authorization is sought to lease additional space at the Banner Bank building for CARE offices. The additional monthly cost for space is \$625. The proposed lease also includes the existing space for Veterans' Services and is for five years.</p> | <p>Requested Action:</p> <p>Approve Lease and authorize Chair to sign</p> |
|---|---|

ATTACHMENTS : Proposed Lease

*****For Internal Use Only*****

Checkoffs:

() Dept. Heard (copy)

() Human Resources (copy)

(X) Legal (copy)

() (Other - List:)

To be notified of Meeting:

Needed at Meeting:

Scheduled for meeting on: October 1, 2025

Action taken:

Follow-up:

OFFICE LEASE

REFERENCE DATE: September 17, 2025.

This Lease (this "Lease") is made and entered into by and between BANNER BANK, a Washington banking corporation ("Landlord") and UMATILLA COUNTY, a political subdivision of the State of Oregon ("Tenant").

1. BASIC TERMS.

This Section sets forth certain basic terms of this Lease for reference purposes. This Section is to be read in conjunction with the other provisions of this Lease and if there is any inconsistency between this Section and the other provisions of this Lease, this Section shall control.

| Premises (see §2) | | Term (see §3) | |
|--------------------|------------------|---------------------------|------------------------------------|
| | | Lease Term (months) | 60 |
| Building Name or # | | Target Lease Commencement | 09/XX/2025 |
| Suite | 7 & 8 | Rent Commencement | 10/1/2025 |
| Street Address | 125 SE Court St. | Lease Expiration | 9/30/030 |
| City | Pendleton | Renewal Options: | |
| County | | Number | 1 |
| State | OR | Length of each (months) | 24 mo. with \$50 annual increases. |

Rentable Area (SF) (see §2): 1,435 RSF

Permitted Uses: Veteran's affairs administration, county offices, and no other.

Guarantors: none.

| Rent §§4,5) (see | Start Month | End Month | Rent Per Month | Terms |
|------------------|-------------|-----------|----------------|--|
| | 10/1/2025 | 9/30/2027 | \$1150.00 | Rent includes electricity, water, sewer, trash and basic janitorial. |
| | 10/1/2027 | 9/30/2028 | \$1200.00 | Same as above. |
| | 10/1/2028 | 9/30/2029 | \$1250.00 | Same as above. |
| | 10/1/2029 | 9/30/2030 | \$1300.00 | Same as above |
| Option #1 | 10/1/2030 | 9/30/2032 | | Annual \$50 increases over the current rate. |

| | |
|-------------------------|----------|
| Prepaid Rent | \$0.00 |
| Security Deposit | \$350.00 |

| | | |
|-----------------------------|---------|--------|
| Brokers (see §17.3): | Company | Agents |
| For Tenant | None. | |
| For Landlord | None. | |

Addresses for Notices & Rent (see §17.1):

Landlord:

| | |
|---------|-----------------------|
| Name | Banner Bank |
| | Attn: Legal |
| Address | PO Box 907 |
| | Walla Walla, WA 99362 |

Lease Questions and copy of all Notices:

| | |
|---------|-------------------------------|
| Name | Banner Bank |
| | C/O Stormie Norton |
| Address | 110 S. Ferrall St |
| | Spokane, WA 99202 |
| Phone | 208-772-1180 |
| Fax | Stormie.Norton@BannerBank.com |

Rent Payments to be sent to:

| | |
|---------|------------------------|
| Name | BANNER BANK |
| | |
| Address | PO BOX 994462 |
| | SEATTLE, WA 98124-6762 |

Tenant Notice Address:

| | |
|---------|-------------------------------|
| Name | Umatilla County |
| Address | 216 SE 4 th Street |
| | Pendleton, OR |
| Phone | (541)278-6208 |
| Fax | (541) 278-6372 |
| Email | Doug.olsen@umatillacounty.net |

Insurance – Parties to be named as Additional Insured (see §10.1):

| | |
|-----------|-------------|
| Landlord: | BANNER BANK |
|-----------|-------------|

Exhibits. The following exhibits are a part of this Lease.

| | |
|-----------|--------------------------|
| EXHIBIT A | Legal Description |
| EXHIBIT B | Site Plan and Floor Plan |
| EXHIBIT C | Work Letter |
| EXHIBIT D | Guaranty, if applicable |

1A. Special Lease Terms, if any. The following additional Lease terms shall apply. To the extent of any inconsistency between this Section 1A and the other provisions of the Lease, this Section 1A shall control.

1A. Options To Extend. Provided that Tenant is not in default when it exercises the option or on commencement of the Option Term, Tenant shall have 1 consecutive option to extend the Lease Term for a period of 24 months each (each, an "Option Term"), upon the same terms and conditions as are set forth in the Lease, except the Rent shall be adjusted as described below, and Landlord shall have no obligation to provide any tenant improvements or allowances therefor. Each option shall be exercised, if at all, by written notice to Landlord at least 6 months prior to the expiration of the then existing term. Exercise of each option shall be conditioned upon (a) the Premises continuing to be used as set forth in this Lease, (b) none of the space in the Premises being subleased at the time of exercise of the option or commencement of the Option Term, (c) this Lease not having been assigned by Tenant to any other person or entity, and (d) all prior options having been exercised. The exercise of each option shall extend this Lease for the entire Premises.

1A. Extension Rent. If Tenant exercises its option to extend the Term provided above, the Rent (including escalations) for the Option Term shall increase annually by \$50.00 over the previous year.

1B. State Specific Provisions. The following additional Lease terms are specific to the state in which the Premises are located. To the extent of any inconsistency between this Section 1A and the other provisions of the Lease, this Section 1B shall control.

OREGON:

Section 10.5:

STATUTORY WARNING

UNLESS TENANT PROVIDED LANDLORD WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THIS LEASE, OR IF LANDLORD RECEIVES ANY NOTICE OF NON-PAYMENT OR CANCELLATION, LANDLORD MAY ADVANCE FUNDS TO PAY ANY DELINQUENT PREMIUMS OR PURCHASE INSURANCE AT TENANT'S EXPENSE TO PROTECT LANDLORD'S INTEREST (WITHOUT NOTICE TO TENANT OR OPPORTUNITY TO CURE). THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT TENANT'S INTEREST. IF THE IMPROVEMENTS BECOME DAMAGED, THE COVERAGE LANDLORD PURCHASES MAY NOT PAY ANY CLAIM TENANT MAKES OR ANY CLAIM MADE AGAINST TENANT. TENANT MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT TENANT HAS OBTAINED PROPERTY COVERAGE ELSEWHERE.

TENANT IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY LANDLORD AND ANY DELINQUENT PREMIUMS PAID BY LANDLORD. THE AMOUNT PAID SHALL BE CONSIDERED ADDITIONAL RENT, AND THE APPLICABLE INTEREST RATE WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE THE PRIOR COVERAGE LAPSES OR THE DATE TENANT FAILED TO PROVIDE PROOF OF COVERAGE OR AFTER THE DATE LANDLORD RECEIVED NOTICE OF CANCELLATION.

THE COVERAGE LANDLORD PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN THE INSURANCE TENANT COULD OBTAIN ON ITS OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

2. PREMISES/TENANT IMPROVEMENTS

2.1 Premises. The “Premises” shall be the area of the Building shown on the site plan and/or floor plan attached as Exhibit B. The Building is located on the real property described in Exhibit A (together with all improvements thereon, the “Property”). The agreed area of the Premises is listed in Section 1. Landlord hereby leases the Premises to Tenant on the terms of this Lease, but reserving to Landlord, the use of the exterior thereof, all space above any suspended ceiling, all space beneath the floor, and the right to install, maintain, use, repair, relocate and replace stacks, pipes, ducts, conduits, wire and utilities leading through the Premises in locations which do not materially interfere with Tenant’s use thereof. Tenant shall have access 24 hours per day, subject to closures for emergencies, repairs, similar matters and disruptions outside Landlord’s control.

2.2 Common Areas. References herein to “common areas” shall mean all areas of the Property not leased to tenants for their exclusive use. Landlord shall make available from time to time such public portions of the common areas as Landlord deems appropriate. Landlord is responsible for operating and maintaining the common areas and Landlord may change the size, location, nature and use of any common areas. Tenant has the nonexclusive right to use those common areas which from time to time are designated for such use by Landlord, subject to the terms of this Lease. Tenant shall not store anything outside the Premises. Subject to any specific access provisions elsewhere in this Lease, Tenant shall not permit any employee, contractor or guest onto the roof of the Building or into any other non-public areas of the Property.

2.3 Parking. Landlord grants to Tenant and Tenant’s employees and invitees, a non-exclusive license to use its proportionate share of the unreserved parking stalls on the Property for the parking of passenger vehicles during the term of this Lease, at no additional charge. Landlord reserves the right at any time to grant use rights to others, to promulgate rules and regulations relating to the use of such parking areas, including designating specific spaces for the use of any tenant. Tenant shall be responsible for meeting any carpool/vanpool or other transportation obligations regarding its employees. Overnight parking is prohibited and any vehicle violating this or any other regulation is subject to removal at the owner’s expense. Landlord is not responsible for any theft of or damage to vehicles or their contents.

2.4 Acceptance of Condition. Landlord shall deliver the Premises to Tenant on the Commencement Date in the Required Condition (Section 3). Subject to delivery in the Required Condition, Tenant accepts the Premises in its condition as of the execution of this Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and Tenant is obligated to comply therewith. Tenant (a) acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Premises or the suitability of the Premises for Tenant’s intended use, and (b) warrants that Tenant has made its own inspection of the Premises. By taking possession of the Premises, Tenant shall be deemed to have agreed that the Premises are in the Required Condition and any alleged defects or deficiencies are waived.

2.5 Tenant’s Work/Tenant Improvements. Any initial improvements to the Premises other than Landlord’s Work (defined in Exhibit C (Work Letter)), if any, are referred to as “Tenant’s Work” and shall be governed by Exhibit C. References herein to “Tenant Improvements” means the combination of Landlord’s Work, if any, and Tenant’s Work.

2.6 Rules and Regulations. Tenant shall comply with all rules and regulations established by Landlord from time to time for the Property.

3. LEASE TERM

The Lease Commencement Date listed in Section 1 represents an estimate of the Commencement Date. The term of this Lease (the "Term") shall commence (the "Commencement Date") on the date Landlord delivers possession of the Premises to Tenant in the Required Condition. "Required Condition" shall mean (a) if there is no Landlord's Work, the condition of the Premises on the execution of this Lease, or (b) if there is Landlord's Work, then the date Landlord's Work is substantially complete (other than Punch List Work and work that can't be completed prior to Tenant's Work). If the Commencement Date is later than the Target Lease Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom. The Term shall be for the number of months set forth in Section 1, plus any partial month in which the Commencement Date occurs. All provisions of this Lease, other than those relating to payment of Rent, shall be effective on the earlier of the Commencement Date or the date that Tenant, its agents, contractors or employees are present in the Premises for inspection, construction, fixturing, move-in or similar purposes.

4. RENT

Commencing on the Commencement Date and continuing on the first day of each month thereafter, Tenant shall pay Landlord the Rent stated in Section 1, in advance, without offset, deduction or demand. The Rent shall be paid to the address specified by Landlord. All charges payable by Tenant other than Rent are "Additional Rent". Unless this Lease provides otherwise, Tenant shall pay all Additional Rent then due with the next monthly installment of Rent. The term "Rent" means monthly Rent and any Additional Rent. Rent for any partial month shall be prorated and the monthly Rent for the first full calendar month shall be paid on execution of this Lease by Tenant. Landlord shall have all of the same remedies for Tenant's failure to pay Additional Rent as for failure to pay monthly Rent.

5. PROHIBITED USES

In no event shall Tenant use or allow any other party to use any part of the Premises for the following: a branch bank or similar business, including but not limited to a financial institution with or without an automated teller machine including a bank, credit union, or savings and loan, mortgage companies, Edward Jones, and like companies, check cashing or pay day loan companies.

6. USE; TENANT'S OPERATIONS

6.1 Permitted Uses. Tenant may use the Premises only for the Permitted Uses set forth in Section 1. Tenant shall not cause or permit the Premises to be used in any way which (a) violates any applicable governmental regulations, (b) interferes with the rights of other tenants or Landlord, (c) constitutes a nuisance or waste, or (d) adversely impacts insurance rates for the Property. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises or within the Premises or permit any portion of the Premises to be used for a "call center," any other telemarketing use, any credit processing use, or other use that involves volumes of occupants in excess of those for a typical office use.

6.2 Signs. Tenant shall not place any signs on the Premises or Property or within the Premises and visible from the exterior of the Premises without Landlord's prior written consent. If Landlord has previously approved any signage, it must be shown on a Rider or Exhibit to this Lease, initialed by Landlord.

6.3 Building Penetrations. Tenant shall not make any penetrations in the Building (roof, walls, foundations, etc.) without Landlord's prior written consent. If Tenant is permitted to penetrate the Building, the consent shall be subject to Landlord's conditions, including (a) Landlord's approval of plans and specifications for the penetration and the contractor to perform it, and (b) arrangements to insure that the penetration will not adversely affect any warranty. If Landlord grants such consent, Tenant shall be obligated to (1) reimburse Landlord for all costs incurred in connection with the penetration, including any fees payable

to a roof warranty obligor and any expenses related to later problems arising due to the penetration, and (2) to remove the equipment before the end of the Lease and completely seal the penetration to Landlord's satisfaction and in compliance with any applicable warranty. Further, Tenant shall be responsible for any costs incurred by Landlord to correct later problems arising in connection with Tenant's penetration.

6.4 Hazardous Materials. Tenant shall not cause or permit any Hazardous Material (defined below) to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises (other than the use and storage of standard de minimus amounts of office and cleaning supplies of the types and quantities typically stored and used by similar businesses and only to the extent used, stored and disposed of in compliance with all applicable governmental requirements and manufacturer recommendations) without the specific prior written consent of Landlord and subject to the provisions of this Section. Landlord shall take into account such factors as Landlord considers relevant in determining whether to grant or withhold consent to Tenant's proposed Hazardous Material. No installation or use of storage tanks is permitted on the Premises. Tenant shall immediately notify Landlord of any hazardous contamination of the Premises. Landlord may elect to test the Premises for the presence of Hazardous Materials at any time during the Term and after Tenant vacates the Premises. If any such testing indicates the presence of Hazardous Materials, and if Tenant brought Hazardous Materials of that type into the Premises, Tenant shall immediately reimburse Landlord for all costs incurred in the testing and the clean-up. As used in this Lease, the term "Hazardous Material" means any flammable items and any substances included in the definition of "hazardous substances/wastes/materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local regulations. Tenant shall indemnify, defend and save Landlord, its agents and mortgagees harmless from all costs, claims, damages and penalties (civil and criminal) arising with respect to Tenant's use, disposal, transportation, generation and/or sale of Hazardous Materials, in or about the Property and any Hazardous Materials brought into the Premises during the Term by persons other than Landlord or its agents.

6.5 Telecommunications Services.

6.5.1 Tenant. Tenant, at its expense, shall arrange for all telecommunications services desired by Tenant. Landlord will have no responsibility for the maintenance of Tenant's telecommunications equipment and/or wiring ("Telecom Facilities"), or for any infrastructure to which it is connected. Tenant shall reimburse Landlord for all costs attributable to Tenant's telecom services including additional risers, conduit, providing cable pair assignments; computer equipment/software for line connections; and third party fees.

6.5.2 Telecom Problems. Landlord will have no responsibility for any claims, costs or damages ("Telecom Claims") in connection with, and Landlord does not warrant that Tenant's use of its Telecom Facilities will be free from, the following (collectively, "Line Problems"): (a) any shortages, failures, variations, interruption; (b) any failure of any Telecom Facilities to satisfy Tenant's requirements; or (c) any eavesdropping or wire-tapping. Line Problems shall not be considered an actual or constructive eviction of Tenant or relieve Tenant from performance of its obligations under this Lease.

6.5.3 EMF. If Tenant's Telecom Facilities create an electromagnetic field exceeding radiation limits permitted by FCC regulations, as now or hereafter amended ("FCC Regs"), Landlord may require Tenant to reduce radiation to permitted levels. Tenant shall indemnify and hold Landlord harmless from all liability, costs and damages arising out of Tenant's electromagnetic emissions. If Tenant's Telecom Facilities, together with other Telecom Facilities located in the Property, exceed the radiation limits permitted by FCC Regs, Tenant will pay its share, as reasonably determined by Landlord, of all costs associated with safety measures taken by Landlord.

6.6 Compliance/Permits. Tenant, at its own expense, shall obtain and pay for all permits related to its business and/or its specific use of the Premises. At its expense, Tenant shall comply with all laws, orders, ordinances and regulations of federal, state or other governmental authorities and with any direction made pursuant to law of any public officer with respect to the Premises or the use thereof, including any obligation to make alterations in the Premises in connection with Tenant's use or occupancy. Tenant will cooperate with Landlord to provide any information required for compliance with applicable federal, state and local laws.

7. MAINTENANCE AND REPAIRS/SERVICES

7.1 Tenant's Repairs. Except as provided in Section 7.2 (Landlord's Obligations), Section 12 (Damage or Destruction), and Section 13 (Condemnation), Tenant shall keep and maintain all portions of the Premises in good order, condition and repair, including, interior and exterior doors and windows, floors, lighting (including bulbs and ballasts) and all fixtures and equipment (including but not limited to heating, air conditioning, and ventilation units and components thereof and hot water heaters) in or exclusively serving the Premises. Tenant's repair and maintenance responsibility shall include replacement of equipment and components which can no longer be brought into good operating condition with repairs. If any part of the Property is damaged by any act, omission, or failure to maintain by or of Tenant, its agents, employees or invitees, Tenant shall pay the cost of repairing or replacing the damage. Tenant shall maintain the portions of the Premises which Tenant is obligated to maintain in an attractive, first-class and fully operative condition.

7.2 Landlord's Obligations. Landlord shall be responsible for the maintenance and repairs to the portions of the Property which are not Tenant's responsibility (the "Property Work"). Property Work shall include the repair, maintenance and replacement of the roof, electrical, plumbing and other mechanical systems and the common areas and exterior of the Property and any equipment such as HVAC units or hot water equipment serving multiple tenants and/or the common areas. If any Property Work is necessitated due to damage caused by Tenant, its agents or employees, Landlord may require Tenant to pay the cost of that work within 10 days of receipt by Tenant of the invoice as Additional Rent. Tenant waives the benefit of any present or future law which might give Tenant the right to repair the Premises at Landlord's expense or to terminate the Lease due to the condition of the Premises.

7.3 Landlord's Right to Cure. Whether Tenant has satisfied its repair, maintenance and replacement obligations shall be determined by Landlord using its commercially reasonable judgment. If Tenant fails to maintain, repair or replace the Premises as required by this Section 7, Landlord may, upon 10 days' prior notice to Tenant (except no notice is required in an emergency), enter the Premises and perform Tenant's obligations on behalf of Tenant and Tenant shall reimburse Landlord for all costs incurred immediately upon demand.

7.4 Basic Services. Tenant shall pay, directly to the appropriate supplier, the cost of any separately metered utilities, including telecommunications. Any utilities which are not separately metered shall be allocated between the users by Landlord and paid within 10 days after receipt of Landlord's invoice as Additional Rent.

During normal building hours (such hours to be determined by Landlord but not less than 9 a.m.-5:00 p.m. Monday-Friday, excluding holidays, "Normal Building Hours"), Landlord shall furnish heating and air conditioning required in Landlord's judgment for the comfortable use and occupancy of the Premises. If requested by Tenant, Landlord shall furnish heating and air conditioning at times other than Normal Building Hours at Landlord's then standard hourly rate for after-hours services, which will be adjusted periodically, payable upon receipt of billings therefore.

Electricity shall be provided by the applicable provider for normal office use, including lighting and operation of customary office machines, and water, both in quantities usually furnished or supplied by Landlord to tenants leasing space in the Building. The mechanical system is designed to accommodate normal and customary heating loads. Before installing lights and equipment in the Premises, which in the aggregate exceed the design of the systems or require more than 120 volts single phase, Tenant shall obtain the written permission of Landlord. Landlord may refuse to grant such permission unless Tenant agrees to pay in advance Landlord's costs of installing metering and any supplementary air conditioning or electrical systems required by such equipment or lights. In addition, Tenant shall pay Landlord (except to the extent the costs are billed directly to Tenant through separate metering), Landlord's estimate of the cost of furnishing electricity for such equipment or lights and Landlord's estimate of the cost of operating and maintaining supplementary air conditioning related to Tenant's use of such equipment or lights. Landlord may install and operate, at Tenant's cost, a monitoring/metering system to measure the added demands on electricity or HVAC systems. Tenant shall comply with Landlord's instruction for the use of drapes, blinds and thermostats.

Landlord shall provide such security for the Property as it deems appropriate. During other than Normal Building Hours, Landlord may restrict access to the Building in accordance with the Building's security system (with access via key or card key).

7.5 Additional Services. If Tenant requests any of the aforementioned services (or items) in amounts in excess of Building standard (other than HVAC service), Tenant shall pay to Landlord the fees charged for such additional services (or items), upon receipt of billings therefore as Additional Rent.

7.6 Interruption of Service. Landlord does not warrant that any utilities or services will be free from interruption including by reason of accident, repairs, alterations, computer programming weaknesses or other causes. No utility interruption shall be deemed an eviction or disturbance of Tenant, or render Landlord liable to Tenant for damages. If an interruption of services or utilities occurs which materially interferes with Tenant's normal operations at the Premises and is caused by the negligence or misconduct of Landlord, the Rent shall abate for the period of the interruption.

8. ALTERATIONS

8.1 Alterations Procedures. Following any work performed pursuant to Exhibit C, Tenant shall not make any alterations to the Premises without Landlord's prior written consent. In no event shall Tenant alter the structure, the Building envelope, the exterior appearance of the Building, or the Building systems. Landlord may require Tenant to post a notice of Landlord's non-responsibility with respect to the work prior to starting the work and Landlord shall similarly have the right to post such notices. Landlord may require Tenant to provide lien waivers prior to commencement of the work. Tenant shall reimburse Landlord for all reasonable costs incurred in reviewing the plans and specifications and inspecting the work. Tenant shall provide written notice to Landlord at least one week prior to commencing any work to enable Landlord to post notices of non-responsibility if it elects to do so. All alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction permits, contracts and approvals, and proof of payment for all labor and materials.

8.2 Mechanic's Lien. Tenant shall have no express or implied authority to place any lien or encumbrance upon, Landlord's interest in the Premises or to burden the Rent for any claim in favor of any person dealing with Tenant, including those who furnish materials or perform labor for any construction or repairs, and each such claim shall attach, if at all, only to Tenant's leasehold interest. Tenant will cause to be paid when due all sums owed for any labor performed or materials furnished in connection with any work performed on the Premises for Tenant. If any lien is filed against the Property in

connection with Tenant's activities, Tenant shall, within ten days after notice of the filing thereof, either (a) pay the amount of the lien and cause the lien to be released of record, or (b) diligently contest such lien and deliver to Landlord a bond or other security satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten days after Landlord has invoiced Tenant therefor.

8.3 Condition upon Surrender. Upon the termination of this Lease, Tenant shall remove all its personal property and surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under this Lease, including with all electrical, plumbing and other mechanical systems in good operating condition and shall deliver all keys to the Building and Premises to Landlord. In addition, Landlord may require Tenant to remove any alterations made by Tenant and to restore the Premises to its prior condition, at Tenant's expense. All alterations which Landlord does not require Tenant to remove shall become Landlord's property and shall be surrendered to Landlord on termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment. Notwithstanding anything in this Section to the contrary, Tenant shall not remove any fixtures or equipment considered a part of the real property without Landlord's prior written consent or unless required by Landlord. Such items shall include: any wiring; power panels, lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; floor coverings. Landlord may elect to require Tenant to remove or leave in place some or all of the telecommunications and data cabling. All property required by Landlord to be removed from the Premises at the end of the Term and which remains after Tenant vacates, shall be deemed abandoned and may, at the election of Landlord, be retained as Landlord's property, or, at Tenant's expense, may be removed from the Premises and either disposed of or stored. Tenant waives any claim against Landlord for damage to or disposal of any personal property left in the Premises.

9. SECURITY DEPOSIT

Upon execution of this Lease, Tenant shall deposit with Landlord the Security Deposit specified in Section 1. Landlord may apply all or part of the Security Deposit to any unpaid Rent or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its original amount within 10 days after Landlord's written request. Tenant's failure to do so shall be a default under this Lease and the overdue amount shall accrue interest as any delinquent payment. If twice within any 12 month period, late charges are assessed against Tenant by Landlord, Landlord may, by written notice to Tenant, require Tenant to pay Landlord an amount equal to two months' Rent as an increase in the Security Deposit, due within 5 days after Tenant's receipt of the notice. If Landlord transfers its interest in the Premises, Landlord shall transfer the Security Deposit to its successor in interest, whereupon Landlord shall be automatically released from any liability for the return of the Security Deposit. If, at the end of the Term, Tenant has fully complied with all obligations under this Lease, then the remaining Security Deposit shall be returned to Tenant after Landlord has verified that Tenant has fully vacated the Premises, removed all of its property and surrendered the Premises in the condition required. Landlord's obligations with respect to the Security Deposit are those of a debtor and not of a trustee, and Landlord can commingle the Security Deposit with Landlord's general funds and no interest shall be paid to Tenant on the Security Deposit.

10. INSURANCE/INDEMNITY

10.1 Insurance. At its expense, Tenant shall obtain and maintain at all times during the term of this Lease: (a) commercial general liability insurance with limits of at least \$3 million per occurrence, \$3 million general aggregate, and \$3 million products completed operations aggregate, or such higher

amounts as Landlord may from time to time require, containing an aggregate per location endorsement; (b) special form insurance for Tenant's personal property (i.e., furniture, fixtures and equipment) to its full replacement value and business interruption insurance in an amount sufficient to cover costs, expenses, Rent due hereunder, damages and lost income should the Premises not be fully usable for a period of up to 12 months; and (c) other coverages Landlord reasonably requires. The policies shall be written by insurers with an A.M. Best rating of A-:VIII or better, reasonably acceptable to Landlord, and shall be on forms reasonably acceptable to Landlord, shall not contain deductibles exceeding \$10,000 without Landlord's prior written approval and shall contain or permit waivers of subrogation with regard to Landlord and the other additional insureds. The liability policy shall be on an occurrence form and shall specifically name the entities listed in Section 1 as additional insureds on an unmodified ISO endorsement CG 20 11 01 96, or equivalent form. No language excluding coverage for the acts or omissions of the additional insured(s) shall be contained in the endorsement. The specifications herein of minimum limits does not limit the limits of coverage to be available to the Landlord Parties as additional insureds. If Tenant's insurance has limits greater than the limits set forth in this Section, the amount of coverage available to Landlord Parties shall be increased to the limits of Tenant's insurance, including limits under any umbrella or excess policies. Tenant's insurance coverage shall not contain any non-standard, special or unusual exclusions or restrictive endorsements without Landlord's written approval. The personal injury contractual liability exclusion shall be deleted. All insurers shall agree not to cancel such policies without at least 30 days prior written notice to Landlord. Tenant shall furnish Landlord with certificates of insurance evidencing the above coverages at all times during the Term as well as a copy of the additional insured endorsement(s). All insurance coverage hereunder required to be provided by Tenant shall be primary to and shall seek no contribution for any insurance available to the Landlord or any agent of Landlord, with Landlord's (or Landlord agent's) insurance being excess, secondary and non-contributing. Tenant's commercial general liability coverage shall be endorsed to provide such primary and non-contributory liability. Landlord shall not obtain insurance for Tenant's furniture, fixtures or equipment or Tenant's other personal property. Tenant shall not do or permit anything to be done which invalidates Landlord's insurance policies and if Landlord's premiums are increased due to Tenant, any increase shall be paid by Tenant. Each party shall obtain a waiver of subrogation from its respective insurer either via endorsement or by virtue of a provision in the applicable insurance policy.

10.2 Indemnity. Subject to Landlord's release in Section 10.3.2, Tenant shall indemnify and defend (using legal counsel acceptable to Landlord) all Landlord Parties (defined below) from any claims, costs (including attorneys' fees and other litigation costs) or damages arising in connection with (a) the occupancy or use of the Premises by Tenant Parties (defined below) and customers, including any work undertaken or contracted for by Tenant; (b) Tenant's breach of this Lease, (c) any negligent or wrongful act or omission of Tenant Parties or customers; (d) any accident, injury, occurrence or damage in or about the Premises; and (e) any claim against Landlord by any employee or former employee of Tenant. This indemnity is not contingent upon insurance coverage, is not limited to the amount of any insurance proceeds, and operates independently of the insurance provisions of this Lease. "Landlord Parties" shall mean Landlord, any mortgagees, the property manager, if any, and their respective owners and affiliates, subsidiaries, successors and assigns. "Tenant Parties" means Tenant, Tenant's owners, Tenant's affiliates, and any directors, officers, employees, sublessees, licensees, invitees, agents, contractors and successors and/or assigns of such persons or entities.

10.3 Waivers.

10.3.1 Tenant Waiver. Tenant hereby releases, waives and discharges the Landlord Parties from any and all claims Tenant might otherwise now or hereafter possess associated with, any loss covered by insurance (or which would have been covered by the insurance Tenant is required to carry hereunder), including the deductible portion thereof, regardless of cause.

10.3.2 Landlord's Waiver. Landlord hereby releases, waives and discharges the Tenant Parties from any and all claims Landlord might otherwise now or hereafter possess associated with any loss covered by Landlord's insurance (or which would have been covered by the insurance Landlord is required to carry hereunder), but excluding the deductible portion thereof, regardless of cause.

10.4 Survival. The provisions of this Section 10 shall survive expiration or termination of this Lease.

11. ASSIGNMENT AND SUBLETTING

11.1 Assignment or Sublease. Tenant shall not assign this Lease or sublet any part of the Premises (each, a "Transfer" and any assignee or sublessee, a "Transferee") without Landlord's prior written consent. To assist Landlord in determining whether to consent to a Transfer, Tenant shall submit the following to Landlord as well as any other information reasonably requested by Landlord, (i) the name and jurisdiction of the Transferee; (ii) the proposed use of the Premises; (iii) the terms of the proposed Transfer; (iv) current financial statements and the most recent filed federal income tax return of the proposed Transferee; and (v) the proposed Transfer documents. No Transfer shall affect the liability of Tenant under this Lease and Tenant and any Transferee shall be liable to Landlord for performance of Tenant's obligations under this Lease. Consent to any Transfer shall not operate as a waiver of the necessity of a consent to any subsequent Transfer.

11.2 Entity Ownership. The cumulative transfer of an aggregate of 50% or more of the ownership interests in a Tenant entity, including by creation or issuance of new ownership interests (except as the result of transfers by gift or inheritance and except for transfers of interests in publicly traded entities) shall be deemed a Transfer of this Lease.

11.3 Assignee Obligation. Any assignee will be required to assume all obligations of Tenant and shall be jointly and severally liable with Tenant for the performance of all of Tenant's obligations under this Lease. Any sublessee will be required to assume all obligations of Tenant to the extent they relate to the subleased premises. Tenant shall provide Landlord with copies of all instruments of assignment, sublease or assumption. If the Transferee defaults, Landlord may, without affecting any other rights of Landlord, proceed against Tenant or any Transferee or any other person liable for Tenant's obligations hereunder. Tenant shall provide the notice address for any subtenant or assignee to Landlord prior to the effective date of the Transfer and if it is not provided, the applicable notice address shall be deemed to be the Premises.

11.4 Fees. Tenant shall reimburse Landlord for any out-of-pocket costs incurred by Landlord in connection with any request for consent to a Transfer.

11.5 Assignment/Subletting Income. Tenant shall immediately pay to Landlord 50% of any amounts payable by an assignee to Tenant which exceed the Rent payable by Tenant hereunder, whether in the form of assignment fees or increased Rent or otherwise; provided that Tenant shall be permitted to deduct amortization of Tenant's out of pocket costs for the assignment, spread over the remaining Term. Tenant shall immediately pay to Landlord 50% of any amounts payable by a sublessee which exceed, on a per square foot basis, the Rent due from Tenant hereunder; provided that Tenant shall be permitted to deduct amortization of Tenant's out of pocket costs for the sublease, amortized over the sublease term.

11.6 Landlord's Recapture Right. In lieu of granting consent to any proposed Transfer, Landlord reserves the right to terminate this Lease or, in the case of subletting of less than all the Premises, to terminate this Lease with respect to such portion of the Premises, as of the proposed effective date of the Transfer, in which event Landlord may enter into the relationship of landlord and tenant with such proposed Transferee or to any other third party without incurring any liability to Tenant whatsoever.

Such termination shall not relieve Tenant from any obligations under this Lease with regard to the time period prior to the termination.

12. DAMAGE OR DESTRUCTION

12.1 Notice of Damage. Tenant shall notify Landlord in writing immediately upon the occurrence of any casualty damage (fire, flood, windstorm, or similar) to the Premises. Subject to Sections 12.2 and 12.3, if Landlord's insurance proceeds available to Landlord are sufficient to pay for the necessary repairs, this Lease shall remain in effect and Landlord shall repair the casualty damage to the Building as soon as reasonably practicable, and Tenant shall repair any damage to Tenant's fixtures and equipment or Tenant's other property including any alterations not covered by Landlord's insurance.

12.2 Decision. If (i) the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or if the cause of the damage is not covered by the insurance; or (ii) if Landlord considers the damage to be significant, then Landlord may elect either to (1) repair the damage to the Building and the tenant improvements as soon as reasonably practicable, in which case this Lease shall remain in full force and effect, or (2) terminate this Lease. Landlord shall notify Tenant of Landlord's decision within 90 days after notice of the occurrence of the damage. If the damage was due to an act or omission of Tenant or Tenant's employees, agents, contractors or invitees, Tenant shall pay the deductible as well as the difference between the actual cost of repair and any insurance proceeds. If the Lease does not terminate as a result of the damage but the damage materially interferes with Tenant's use of the Premises, then the Rent shall be reduced pro rata, to reflect the portion of the Premises not useable by Tenant.

12.3 End of Term. If the damage to the Premises occurs during the last 12 months of the Term, and the damage requires more than 60 days to repair, either Landlord or Tenant may elect to terminate this Lease as of the date the damage occurred regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease shall give written notification to the other party of such election within 20 days after Tenant's notice to Landlord of the occurrence of the damage.

12.4 Casualty Termination. If (a) the Premises are damaged by casualty and the damage substantially interferes with Tenant's ability to operate in the Premises, and (b) the damage was not due to an act or omission of Tenant, its agents or employees, and (c) Landlord's reasonable estimate of completion of the restoration is more than twelve months after Landlord obtains all permits and approvals for the restoration, Tenant may terminate this Lease by written notice to Landlord given within 30 days after Tenant's receipt of Landlord's estimate of the repair completion date. Similarly, if the repair is not sufficiently completed to allow Tenant to resume its operations in the Premises within twelve months after receipt of the necessary permits and approval, Tenant may terminate this Lease by 30 days written notice to Landlord if the Premises are not tenantable by the end of that 30 day period.

13. CONDEMNATION

If the Property is condemned or taken for any public or quasi-public purpose, including any purchase in lieu of condemnation, this Lease shall terminate as of the date of taking of possession for such use or purpose. If a portion of the Property is condemned or taken, (whether or not the Premises be affected), Landlord may, by notice to Tenant, terminate this Lease as of the date of the taking of possession. If Landlord does not terminate this Lease, and if the taking results in a reduction in the square footage of the Premises, then the Rent shall be reduced pro-rata, and Landlord shall perform any necessary repairs to restore the Building to a complete unit. Landlord shall be entitled to the entire award in any condemnation proceeding, including any award for the value of any unexpired term of this Lease, and shall have the exclusive authority to settle the condemnation proceeding, and the exclusive discretion to grant "possession and use" to the condemning authority, and Tenant shall have no claim against

Landlord or against the proceeds of the condemnation, provided, however, that Landlord shall not be entitled to any moneys paid to Tenant by the condemnor for moving expenses and business losses pursuant to applicable relocation statutes.

14. INSOLVENCY AND DEFAULT

14.1 Defaults. Tenant shall be in default under this Lease if (a) Tenant fails to pay any Rent when due, or (b) Tenant fails to perform any other obligation under this Lease, or (c) a Financial Distress Default (Section 14.9) occurs. Subject to the late charges and interest due under Section 14.8, Landlord agrees that it shall not invoke its remedies under this Section 14 if Tenant cures a Curable Default (defined below) within the applicable cure period (set forth in Section 14.2 below). If a Curable Default occurs and Tenant fails to cure the default within the applicable cure period or if any other default occurs, Landlord may, immediately or at any time thereafter, and without preventing Landlord from exercising any other right or remedy, elect to terminate this Lease by notice, by lawful entry or otherwise, whereupon Landlord shall be entitled to recover possession of the Premises from Tenant and those claiming through or under Tenant. In addition, Landlord may require Tenant to pay to Landlord a fee of \$300 for each non-monetary Curable Default not cured within the applicable cure period. The fee shall be due and payable within 10 days after Landlord's invoice and if not paid within that time period shall represent a monetary default and is intended to compensate Landlord for the additional time and effort required to address the breach. Termination of this Lease and any repossession shall be without prejudice to any remedies Landlord has for arrears of Rent or for a prior breach of any of the provisions of this Lease.

In case of termination, Tenant shall be liable to Landlord for all costs and expenses including the amounts due under Sections 14.3 and 14.4. If Tenant fails to perform any of Tenant's covenants which Tenant has failed to perform at least twice previously in any 12-month period (although Tenant shall have cured any such previous breaches after notice from Landlord, and within the applicable cure period), then Landlord may thereafter, without further notice, exercise any remedies permitted by this Section 14 or by law, including termination of this Lease. Each right and remedy provided Landlord in this Lease is cumulative and in addition to every other right or remedy provided in this Lease, or now or hereafter existing at law, in equity, by statute or otherwise. The exercise by Landlord or any one or more such rights or remedies will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies.

Landlord shall be in default under this Lease if (a) Landlord fails to perform any obligation under this Lease, or (b) a Financial Distress Default (Section 14.9) occurs. Tenant agrees that it shall not invoke its remedies under this Section 14 if Landlord cures a Curable Default (defined below) within the applicable cure period (set forth in Section 14.10 below). If a Curable Default occurs and Landlord fails to cure the default within the applicable cure period or if any other default occurs, Tenant may, immediately or at any time thereafter, and without preventing Tenant from exercising any other right or remedy, elect to terminate this Lease by notice.

14.2 Cure Periods.

Monetary Default. If Tenant fails to pay any Rent when due, it is a Curable Default and the cure period shall be five days after notice from Landlord.

Financial Distress Default (see Section 14.9). An Involuntary Financial Distress Default is a Curable Default and the cure periods are set forth in Section 14.9. A Voluntary Financial Distress Default is not a Curable Default.

Insurance Default. If Tenant fails to maintain the required insurance, it is a Curable Default and the cure period is three business days after the date the failure occurs.

Estoppel or Subordination Default. If Tenant fails to provide the requested estoppel certificate (Section 15.3) or subordination agreement (Section 15.1) within the time period provided, it shall be a Curable Default and the cure period shall be three business days from the second request.

Hazardous Materials. If Tenant breaches the provisions of Section 6.4 (Hazardous Materials) it shall be a Curable Default and the cure period shall be three business days after notice from Landlord.

Non-Approved Contractor. If Tenant utilizes any contractor not approved by Landlord in violation of the provisions of Section 8.1 or the Work Letter, the cure period shall be two business days after notice from Landlord.

Other Defaults. Any non-monetary breaches of this Lease not listed above in this Section 14.2 shall be considered Curable Defaults and the cure period shall be ten days after notice from Landlord; provided that if the default cannot reasonably be cured within that time period, Tenant shall have such additional time as is reasonably necessary to cure the default so long as Tenant commences the cure within the ten day period and diligently pursues the cure to completion.

14.3 Expense Recovery. Items of expense for which Tenant shall be liable to Landlord for in connection with a termination of this Lease for default shall include: (i) all collection costs and all costs of obtaining Tenant's compliance with this Lease, including attorneys' fees and enforcement costs; (ii) the unamortized portion of (a) leasing commissions paid in connection with this Lease, and (b) costs incurred by Landlord to improve the Premises (amortized over the initial Term with interest at 12%); and (iii) all Landlord's other costs proximately caused by the termination. The above sums shall be due and payable immediately upon notice from Landlord without regard to whether the cost or expense was incurred before or after the termination of this Lease. If proceedings are brought under the Bankruptcy Code, including proceedings brought by Landlord, which relate in any way to this Lease (in any of such cases a "Proceeding"), Landlord shall be reimbursed for all costs incurred in connection with the Proceedings.

14.4 Damages. Notwithstanding termination of this Lease and reentry by Landlord pursuant to Section 14.1, Landlord shall be entitled to recover from Tenant:

(a) Any unpaid Rent which had been earned by Landlord prior to the time of termination with interest at the Default Rate (Section 14.8); plus

(b) The amount by which the unpaid Rent which would have been earned after termination until the time of an award exceeds the amount of loss of Rent that Tenant proves could have been reasonably avoided, with interest at the Default Rate; plus

(c) The worth at the time of an award of the amount by which the unpaid Rent for the balance of the term of this Lease (as extended, if at all, prior to termination) exceeds the amount of such loss of Rent and Additional Rent that Tenant proves could have been reasonably avoided (including interest at the Default Rate from the date of the award until paid), discounted at the discount rate of the Federal Reserve Bank of San Francisco, or successor Federal Reserve Bank, on the date of termination; plus

(d) Any other amount necessary to compensate Landlord for all the damage proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including amounts due and payable pursuant to Section 14.3.

14.5 Non-Termination of Lease. No act of Landlord other than a written declaration of termination of Lease shall serve to terminate this Lease. If there is a default hereunder and Tenant fails to cure it within any applicable cure period, Landlord shall have the right to reenter the Premises and relet the Premises for Tenant's account, without terminating the Lease. If Landlord reenters the Premises and does not elect to terminate this Lease, Tenant shall pay Landlord the loss of Rent by a payment at the end of each month during the remaining Term representing the difference between the Rent which would have been paid in accordance with this Lease and the rent collected from the Premises by Landlord for such month. Separate claims may be maintained by Landlord against Tenant from time to time to recover any damages which, at the commencement of any action, are then due and payable to Landlord under this Section 14 without waiting until the end of the Term of this Lease.

14.6 Reletting. If Tenant's right of possession has been terminated (with or without termination of this Lease), Landlord may at any time, and from time to time, relet the Premises in whole or in part either in its own name or as agent of Tenant for any period equal to or greater or less than the remainder of the then-current Term. All rentals received by Landlord from such reletting shall be applied first to the payment of any amounts other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting and of alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due hereunder. Upon a reletting of the Premises, Landlord shall not be required to pay Tenant any sums received by Landlord in excess of amounts payable in accordance with this Lease.

14.7 Right of Landlord to Cure Defaults. If Tenant defaults under this Lease, Landlord may cure the default, at Tenant's expense, immediately and without notice if Landlord believes the default creates a risk of damage to persons, property or the interests of others, or in any other case only upon Tenant's failure to remedy such default within the applicable cure period, if any. Tenant shall reimburse Landlord for any costs of the cure with interest at the Default Rate (defined in Section 14.8).

14.8 Unpaid Sums and Service Charge. Any amounts owing from Tenant to Landlord under this Lease shall bear interest at 12% per annum (the "Default Rate"), calculated from the date due or expended until the date of payment. In addition, if any payment of Rent is not paid within 10 days of its due date, Tenant shall pay a late charge equal to 10% of the overdue amount as liquidated damages for Landlord's extra expense and handling of such past due account.

14.9 Financial Distress.

14.9.1 Definition. Each of the following shall be an "Financial Distress Default" under this Lease: (a) the making by Tenant or Guarantor of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant or Guarantor of a petition to have Tenant or Guarantor adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy; (b) the appointment of a trustee or a receiver to take possession of all or any part of Tenant's assets or Guarantor's assets; or (c) the entry of any final judgment against Tenant or Guarantor for an amount greater than six months' Rent. A Financial Distress Default shall be considered "Voluntary" if the action initiating the default was made by Tenant or Guarantor or a person or entity controlling, controlled by, or under common control with Tenant or Guarantor and otherwise shall be considered "Involuntary". For example, a bankruptcy filing initiated by Tenant or Guarantor is a Voluntary Financial Distress Default and a bankruptcy filing by creditors of Tenant or Guarantor shall be considered an Involuntary Financial Distress Default. Tenant shall immediately notify Landlord upon the occurrence of any Financial Distress Default. Tenant shall have 60 days to cure an Involuntary Financial Distress Default under clause (a) above. Tenant shall have 30 days to cure an Involuntary Financial Distress default under clauses (b) and (c) above. If a Voluntary Financial Distress Default occurs or if an

Involuntary Financial Distress Default is not cured within the above cure periods, then the provisions of Section 14.9.2 shall apply.

14.9.2 Filing of Petition. If a petition (“Petition”) is filed by or against Tenant (as either debtor or debtor-in-possession) under Title 11 of the United States Code (the “Bankruptcy Code”) and same is not dismissed within 60 days thereafter:

(a) Adequate protection for Tenant’s Lease obligations accruing after filing of the Petition shall be provided within 15 days after filing in the form of a deposit equal to two months Rent and Additional Rent (in addition to the Security Deposit), to be held by the court or an escrow agent approved by Landlord and the court.

(b) All amounts payable by Tenant to Landlord under this Lease represent reasonable compensation for the occupancy of the Premises by Tenant.

(c) Tenant or Trustee shall give Landlord at least 30 days written notice of any abandonment of the Premises or proceeding relating to administrative claims. If Tenant abandons without notice, Tenant or Trustee shall stipulate to entry of an order for relief from stay to permit Landlord to reenter and relet the Premises.

(d) For purposes of Section 365(b)(1) of the Bankruptcy Code, prompt cure of defaults shall mean cure within 30 days after assumption and shall include cure of any defaults under any other agreements between Landlord and Tenant.

(e) For the purposes of Section 365(b)(1) the Bankruptcy Code, adequate assurance of future performance of this Lease by Tenant, Trustee or any proposed assignee of the Lease will require that Tenant, Trustee or the proposed assignee deposit two months Rent and Additional Rent payments into an escrow fund (to be held by the court or an escrow agent approved by Landlord and the court) as security for such future performance. In addition, if the Lease is to be assigned, adequate assurance of future performance by the proposed assignee shall require that the assignee have a tangible net worth equal to eight times the annual Rent due hereunder or that such assignee’s performance be unconditionally guaranteed by a person or entity that has a tangible net worth not less than the above amount.

(f) If Tenant or Trustee intends to assume and/or assign the Lease, Tenant or Trustee shall provide Landlord with 30 days written notice of the proposed action, separate from and in addition to any notice provided to all creditors. Notice of a proposed assignment and assumption shall state the assurance of prompt cure, compensation for loss and assurance of future performance to be provided to Landlord. Notice of a proposed sale shall state: (i) the name, address, and federal tax ID numbers of the proposed assignee; (ii) the terms and conditions of the proposed assignment, and (iii) the proposed assurance of future performance.

14.10 Default by Landlord. Subject to Section 15.4, Landlord shall not be in default under this Lease unless Landlord (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within 15 days after receipt of Tenant’s written notice (or such longer period of time as is reasonably necessary to cure the default) and such notice shall also be sent in accordance with Section 15.4. If Landlord fails to cure the default within the cure period, Tenant shall have all rights and remedies available at law and in equity other than the right to terminate the Lease or any offsets against Rent.

15. PROTECTION OF LENDERS

15.1 Subordination. This Lease shall be subordinate to any financing now existing or hereafter placed upon the Property by Landlord, and to any and all advances to be made thereunder and to interest thereon and all modifications thereof (each, a “Mortgage”). This provision shall be self-operative. Tenant shall execute and deliver any subordination agreement required by the holder of a Mortgage within 10 days of request, but only if any such subordination agreement provides that so long

as Tenant is not in default under this Lease beyond any applicable cure period, Tenant shall have the continued enjoyment of the Premises free from any disturbance or interruption by any holder of a Mortgage or any purchaser at a foreclosure or private sale of the Property.

15.2 Attornment. If Landlord's interest in the Premises is acquired by any ground lessor, holder of a Mortgage, or purchaser at a foreclosure sale, or transferee thereof, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

15.3 Estoppel Certificates. Tenant shall, within 10 days of demand, execute and deliver to Landlord a written statement certifying: (i) the commencement and the expiration date of the Term; (ii) the amount of Rent and the date to which it has been paid; (iii) that this Lease is in full force and effect and has not been assigned or amended in any way (or specifying the date and terms of each agreement so affecting this Lease) and that no part of the Premises has been sublet (or to the extent such is not the case, a copy of any sublease); (iv) that Landlord is not in default under this Lease (or if such is not the case, the extent and nature of such default); (v) on the date of such certification, there are no existing defenses or claims which Tenant has against Landlord (or if such is not the case, the extent and nature of such defenses or claims); (vi) the amount of the Security Deposit held by Landlord; and (vii) any other information a mortgagee or purchaser may reasonably request. It is intended that any such statement shall be binding upon Tenant and may be relied upon by a prospective purchaser or mortgagee. If Tenant fails to provide the requested estoppel within 10 days after receipt of the request, in addition to the provisions of Section 14: Landlord may impose a fee of \$100 per day for each day of delay in providing the statement by Tenant after the 10 day period. The estoppel certificate shall run to the benefit of all those Landlord specifies as addressees.

15.4 Notice. Tenant shall give written notice of any failure of Landlord to perform any of its obligations under this Lease to Landlord and to any ground lessor, mortgagee or beneficiary under any deed of trust encumbering the Property whose name and address have been furnished to Tenant and such parties shall have the right but no obligation to cure the default on Landlord's behalf. Landlord shall not be in default under this Lease unless Landlord (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within 30 days after receipt of Tenant's notice, or such longer period as is reasonably necessary for the cure.

16. LIABILITY

16.1 Landlord's Liability. The liability of Landlord to Tenant shall be limited to the interest of Landlord in the Property (and the proceeds thereof). Tenant agrees to look solely to Landlord's interest in the Property (and the proceeds thereof) for the recovery of any judgment against Landlord, and Landlord and its owners shall not be personally liable for any such judgment or deficiency after execution thereon or matters related to this Lease. In addition, if Landlord sells or otherwise transfers the Property to a new owner, the transferring Landlord shall not thereafter be named or sought after in any matter related to the Property relating to the time period after the transfer and responsibility for those matters shall automatically transfer to the new owner.

16.2 Tenant's Business Interruption. Notwithstanding any other provision of this Lease, and to the fullest extent permitted by law, Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's personal property or its business or any loss of income therefrom, whether such injury or loss results from conditions arising upon the Premises or the Property, or from other sources or places including any interruption of services and utilities or any casualty, condemnation, whether the cause of such injury or loss or the means of repairing the same is inaccessible to Landlord or Tenant and including

injury of loss to Tenant or Tenant's property arising from the acts or omissions of other occupants of the Property.

16.3 Tenant's Indemnification Limitation. Any indemnification by Tenant under the terms of this lease is to the extent allowed and limited by the Oregon Constitution and the Oregon Tort Claims Act.

17. MISCELLANEOUS PROVISIONS

17.1 Notices. All notices required or permitted under this Lease shall be in writing and shall be delivered by nationally recognized courier, or sent by certified mail, return receipt requested, postage prepaid. The contact information for each party is set forth in Section 1 and may be changed by written notice to the other party. All notices shall be effective upon either delivery/receipt, rejection of delivery/receipt, after sending in the manner described above. Tenant hereby appoints as its agent to receive the service of all dispossessory proceedings or proceedings to seize Tenant's personal property and notices thereunder the person in charge of or occupying the Premises at the time, and, if no person shall be in charge of occupying the same, then such service may be made by attaching the same on the main entrance of the Premises. If Tenant does not provide Landlord with a forwarding address following expiration or termination of this Lease, Landlord shall be relieved of any obligation to forward any funds or items to Tenant.

17.2 Non-Waiver/Accord. Failure of Landlord to insist, in any one or more instances, upon strict performance of any term of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or a relinquishment, but the same shall continue and remain in full force and effect. Landlord shall not be deemed to have waived any provision of this Lease unless expressed in writing and signed by Landlord. Tenant specifically acknowledges that where Tenant has received a notice of default (whether Rent or non-rent), no acceptance by Landlord of Rent shall be deemed a waiver of such notice, and, acceptance by Landlord of partial Rent shall not be deemed to waive or cure any Rent default. Landlord may, in its discretion, after receipt of partial payment of Rent, refund same and continue any pending action to collect the full amount due, or may modify its demand to the unpaid portion. In either event, the default shall be deemed uncured until the full amount is paid in good funds. Payment by Tenant or receipt by Landlord of a lesser amount than the Rent and other charges stipulated herein shall be deemed to be on account of the earliest stipulated Rent or other charges. No endorsement or statement on any check or any letter accompanying any payment shall be deemed an accord and satisfaction, and Landlord's acceptance of such check or payment shall be without prejudice to Landlord's right to recover the balance of the amount due or pursue any other remedy to which it is entitled.

17.3 Brokers. Except as specified in Section 1, if any, Tenant represents and warrants to Landlord, it has not engaged any broker, finder or other person entitled to any commission or fee in respect of the negotiation, execution or delivery of this Lease, and Tenant shall indemnify and defend Landlord against any claims for such commission arising out of agreements made or alleged to have been made by or on behalf of Tenant. If any new leases, modifications to this Lease or other agreements are made between Landlord and Tenant, Landlord shall not have any obligation to pay any brokerage or finders fees to persons engaged by Tenant.

17.4 Entire Agreement; Amendment; Severability. This Lease supersedes all prior and contemporaneous understandings and agreements; the provisions of this Lease are intended by Landlord and Tenant as the final expression of their agreement; this Lease constitutes the complete and exclusive statement of its terms and no representations, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No provisions of this Lease may be changed, waived, discharged or terminated orally, but only by instrument in writing executed by Landlord and Tenant, or their respective successors in interest, concurrently with or subsequent to the date of this

Lease. Tenant acknowledges that neither Landlord nor anyone representing Landlord has made statements of any kind whatsoever on which Tenant has relied in entering into this Lease. Tenant has relied solely on its independent investigation and its own business judgment in entering into this Lease. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

17.5 Force Majeure. Except as specifically provided otherwise herein, time periods for Landlord's or Tenant's performance under any provisions of this Lease (except for the payment of money) shall be extended for periods of time during which the non-performing party's performance is prevented due to circumstances beyond the party's control, including strikes, embargoes, governmental regulations, inclement weather and other acts of God, war or other strife and no such delay in Landlord's performance shall constitute an actual or constructive eviction or entitle Tenant to any abatement of Rent.

17.6 Reserved.

17.7 Heirs and Assigns. This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligations to Tenant's successor unless the rights or interests of Tenant's successor are acquired in accordance with the terms of this Lease including the restriction on assignment and subletting. If more than one person or entity executes this Lease as Tenant, the liability of each shall be deemed to be joint and several. The rights of Landlord herein shall also run to the benefit of all future owners of the Premises.

17.8 Waiver of Self-Help. Tenant waives any statutory or common law right to self-help, including any right to make repairs to the Building or common areas.

17.9 Personal Property Taxes. Tenant is a tax exempt entity.

17.10 Right to Change Public Spaces. Landlord reserves the right at any time, without thereby creating an actual or constructive eviction or incurring any liability to Tenant, to (a) close temporarily any common areas to make repairs or changes or to prevent the acquisition of public rights in such areas, and (b) change the arrangement or location of public areas of the Property not contained within the Premises or any part thereof, including entrances, passageways, parking lots and other public service portions of the Property; provided that Tenant is not prevented from having access to the Premises.

17.11 Consent. Notwithstanding anything contained in this Lease to the contrary, Tenant hereby waives any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment, to enforce any right to such consent. Tenant shall pay Landlord's out-of-pocket costs incurred in connection with any requests by Tenant for consent.

17.12 Financial Statements. Within 20 days after written request from Landlord, but not more than two times per year, Tenant shall provide the most recent financial statements and tax returns for Tenant and any guarantor, assignee, or subtenant. The information shall remain confidential, subject to review by potential purchasers and lenders, who shall be instructed to maintain such confidentiality.

17.13 No Reservation/Counterparts/Electronic Signatures. The submission of this Lease for examination, or for execution by Tenant, does not constitute a reservation or option to Lease the Premises and this Lease becomes effective as a lease only upon (a) execution and delivery thereof by Landlord and Tenant, and (b) Landlord's receipt of the Security Deposit and pre-paid Rent in the amount set forth in

Section 1 above. At Landlord's election, this Lease may be executed in counterparts and when all counterparts are executed, the counterparts shall constitute a single agreement. This Lease may be delivered electronically (e.g. fax, email, pdf) and a digital version (e.g. pdf) of the fully executed and compiled agreement will be binding as the original of this Lease and constitute "best evidence" of this agreement between the parties.

17.14 Authority. If Tenant is an entity rather than a person, each individual executing this Lease on behalf of said entity or its constituents represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of said entity. Concurrently with the execution of this Lease, Tenant shall deliver to Landlord any entity resolutions or consents requested by Landlord to evidence such authority. Where Tenant is comprised of more than one person or entity, all covenants and obligations of Tenant hereunder shall be the joint and several covenants and obligations of each person or entity comprising Tenant. Any action permitted or required of Landlord under this Lease may, at Landlord's election, be performed by Landlord's property manager on Landlord's behalf.

17.15 Relocation. Intentionally Deleted.

17.16 Utility Deregulation. Tenant acknowledges that Landlord shall have sole control over the determination of which utility providers serve the Property, and Landlord shall have no obligation to give access or easement rights or otherwise allow onto the Property any utility providers except those approved by Landlord. If, for any reason, Landlord permits Tenant to purchase utility services from a provider other than Landlord's designated company(ies), such provider shall be considered a contractor of Tenant. In addition, Tenant shall allow Landlord to purchase such utility service from Tenant's provider at Tenant's rate or at such lower rate as can be negotiated by the aggregation of Landlord's tenants' requirements for such utility.

17.17 Clean Air Act. Tenant acknowledges that Landlord has not made any portion of the Premises or the Building accessible for smoking. If Tenant wishes to make any portion of the Premises accessible to smoking, Tenant shall make all improvements necessary to comply with all applicable governmental regulations. Tenant acknowledges that Tenant's indemnity contained in this Lease includes claims based on the presence of tobacco smoke as a result of the activities of Tenant, its employees, agents or guests.

17.18 Choice of Law and Venue. This Lease shall be governed by the law of the state where the Property is located.

17.19 Nondisclosure of Lease Terms. Tenant is a public entity, and this lease is subject to Oregon Public Records Law and to disclosure.

17.20 Regulations. Tenant shall comply with the terms and conditions of any of the following applicable to the Property and any subsequent changes thereto: (a) CC&R's, REA's or other covenants recorded against the Property and any design guidelines referenced therein and any amendments thereto, and (b) any transportation management plan adopted for the Property and all amendments thereto. The population density within the Premises as a whole shall at no time exceed one person for each 250 rentable square feet in the Premises.

17.21 Landlord's Access. Landlord or its agents may enter the Premises to show the Premises to potential lenders, tenants or other parties, to make repairs, alterations or improvements, to inspect and conduct tests in order to monitor Tenant's compliance with this Lease and applicable law; or for any other purpose Landlord deems necessary. Landlord shall give Tenant prior notice of such entry which may be given by telephone, email, or in person at the reception desk in the Premises, except in the case of

emergency, in which case no notice is required to be given. Landlord may place customary “For Sale” or “For Lease” signs in and about the Premises and Property.

17.22 Quiet Possession. If Tenant pays the Rent and complies with all other terms of this Lease, Tenant may occupy the Premises for the full Term against any person claiming by, through or under Landlord, but not otherwise, subject to the provisions of this Lease.

17.23 Costs and Attorneys’ Fees. In the event of litigation between the parties hereto, declaratory or otherwise to enforce this Lease, the non-prevailing party shall pay the costs thereof and attorneys’ fees actually incurred by the prevailing party, in such suit, at trial and on appeal. In addition, if Landlord engages counsel to enforce the terms of this Lease, including for the purpose of preparing a delinquency notice, Tenant shall be required to reimburse Landlord for all costs incurred before the subject default is considered cured. Tenant shall pay Landlord’s attorneys’ fees and other out-of-pocket costs incurred in connection with any other requests for Landlord’s consent.

17.24 Interpretation. The captions of sections or subsections of this Lease are to assist the parties in reading this Lease and are not a part of the terms and provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term “Tenant” shall include Tenant’s agents, employees, contractors, invitees, successors or others using the Premises with Tenant’s expressed or implied permission. References to “including” shall mean “including without limitation”. This Lease has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with herein. Each party had the opportunity to be represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Lease against the drafter is not applicable and is waived.

17.25 No Recordation. Tenant shall not record this Lease without prior written consent from Landlord. However, Landlord may require that a “Short Form” memorandum of this Lease executed by both parties be recorded.

17.26 Waiver of Jury Trial. To the fullest extent permitted by applicable law, Landlord and Tenant hereby waive all rights to request a jury trial in any proceeding or counterclaim arising out of this Lease or Tenant’s right to occupy the Premises. Any Tenant counterclaims shall be raised in a separate proceeding rather than any summary proceeding for non-payment of Rent or possession of the Premises. Tenant further waives any right to remove said summary proceeding to any other court or consolidate said summary proceeding with any other action, whether brought before or after the summary proceeding.

17.27 Survival. The obligations of each party applicable to time periods prior to the termination or expiration of this Lease shall survive termination or expiration of this Lease, including Landlord’s right to indemnification and defense from claims arising from matters occurring prior to termination even though the claim is asserted against Landlord after termination, and payment of amounts not finally calculated by the expiration/termination date.

17.28 Holding Over. If Tenant fails to surrender possession of the Premises upon termination or expiration of this Lease, and if Tenant obtains Landlord’s written consent to Tenant’s continued occupancy, then Tenant’s occupancy shall be deemed to be a month to month tenancy, with Rent due at a rate one and one half times the Rent payable by Tenant hereunder during the calendar month immediately preceding such termination or expiration (the “Latest Rate”) and Landlord may terminate such month to month tenancy upon 30 days notice to Tenant. If Tenant fails to surrender possession of the Premises upon termination or expiration of this Lease and if Tenant does not obtain Landlord’s written consent to Tenant’s continued occupancy, then Tenant shall be deemed a trespasser and shall be liable to Landlord

for all damages sustained by Landlord as a result thereof, together with Base Rate at a rate double the Latest Rate.

17.29 Inducements. Intentionally Deleted.

17.30 Adjustments. Landlord reserves the right to adjust the rentable area of the Premises set forth in Section 1 based on any future measurement of the Premises and Building by Landlord in accordance with commercially reasonable standards uniformly applied and if such area is adjusted, the Rent, and the Security Deposit shall be automatically adjusted based on the new measurement.

17.31 USA Patriot Act and Anti-Terrorism Laws. Landlord and Tenant each represent and warrant that neither they nor the officers and directors controlling Landlord and Tenant, nor any person or entity that directly owns a 10% or greater equity interest in it, respectively, are or are acting, directly or indirectly, for or on behalf of any person, group, entity, or nation with whom U.S. persons or entities are restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Treasury Department, including those named on the OFAC's Specially Designated National and Blocked Person List, or are acting directly or indirectly for or on behalf of any person, group, entity, or nation designated in Presidential Executive Order 13224 signed on September 24, 2001 ("Executive Order") or in the USA Freedom Act (enacted June 2, 2015) ("USA Freedom Act") as a person who commits, threatens to commit, or supports terrorism; or are acting directly or indirectly for a person, group, entity or nation in violation of the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (the "Money Laundering Act"); and that they are not engaged in this transaction directly or indirectly on behalf of, or facilitating this transaction directly or indirectly on behalf of, any such person, group, entity or nation. Each party agrees during the Term of this Lease to comply with the Executive Order, USA Freedom Act and the Money Laundering Act, and to defend, indemnify, and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representation and warranty.

{Remainder of page intentionally left blank. Signatures and acknowledgments on following pages.}

TENANT:

UMATILLA COUNTY

a political subdivision of the State of Oregon

By: _____

Name: Celinda A. Timmons

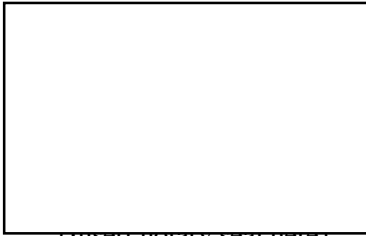
Its: Chair, Board of Commissioners

Date Signed: _____

STATE OF OREGON)
) ss.
COUNTY OF UMATILLA _____)

I certify that I know or have satisfactory evidence that Celinda A. Timmons is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Chair, Board of Commissioners of Umatilla County to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____.



(insert notary seal here)

(Signature of Notary Public)

(Printed Name of Notary Public)

My Appointment expires _____

BANNER BANK
a Washington banking corporation

Date Signed : _____

[illegible]

Dated: _____.

My Appointment expires _____

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT

EXHIBIT B

SITE PLAN/ FLOOR PLAN

EXHIBIT C

WORK LETTER

A. LANDLORD'S WORK AND TENANT'S WORK.

Landlord's Work: "Landlord's Work" - None

Tenant's Work: "Tenant's Work" means all improvements, fixturing and other work to the Premises.

B. GENERAL PROCEDURES – TENANT'S WORK

The preparation of all design and working drawings and specifications relating to completion of the Premises for occupation by Tenant and the taking of bids and letting of contracts relating to Tenant's Work and the supervision and completion of Tenant's Work and payment therefore shall be the responsibility of Tenant.

Approvals must be obtained by Tenant for its work from the applicable building department and all other authorities having jurisdiction and Tenant must submit evidence of these approvals to Landlord before commencing work. Tenant shall be responsible for payment of all fees and charges incurred in obtaining said approvals and for obtaining a certificate of occupancy prior to opening.

Landlord shall be entitled to withhold approval of any plans or specifications or the authorization for work to proceed until it has been furnished with reasonable evidence that Tenant has made suitable provision to pay the full cost of the work.

Tenant shall utilize professional designers and contractors and subcontractors approved by Landlord. Notwithstanding the foregoing, Tenant agrees to utilize the plumbing, electrical, HVAC and other mechanical contractors or subcontractors utilized by Landlord if requested by Landlord.

Tenant acknowledges and agrees that neither Landlord's architect nor Landlord owes any duty nor assumes any responsibility to Tenant or Tenant's architect with respect to the compliance or non-compliance of Tenant's plans and specifications with any building, safety or health codes or the adaptability of the proposed improvements, the use intended, or otherwise.

Landlord may require Tenant to provide a payment and performance bond acceptable to Landlord for the benefit of Landlord.

C. PLANS AND SPECIFICATIONS.

Tenant shall work with its space planners and will provide its proposed space plan for approval by Landlord. Once Landlord has approved a space plan, Tenant will submit to Landlord for its approval working drawings and specifications. Those plans and specifications which are approved by Landlord shall be referred to as the "Approved Final Plans". Tenant shall keep a complete set of the Approved Final Plans on the Premises throughout the duration of the Tenant's Work.

D. GENERAL REQUIREMENTS

1. Tenant's Work shall be carried out with good workmanship and with new materials, which shall all be of a high quality and conforming to the best standards of practice, and shall not be in contravention of the laws, codes or regulations.

2. Before commencing Tenant's Work, Tenant shall furnish written proof of: (i) the insurance required by this Lease to be carried by Tenant and, (ii) insurance required by Landlord to be carried by Tenant's contractor.

3. Tenant and its contractors shall be entitled to have access to the Premises, in order to execute the Tenant's Work, subject to compliance with all rules, regulations and stipulations which Landlord may make from time to time regarding matters such as the handling and storage of material and equipment and cleanup.

4. Tenant shall at all times keep the Premises and all other areas clear of all waste materials and refuse caused by itself, its suppliers, contractors or by their work. Tenant shall remove all waste materials and refuse directly from the Premises and shall deposit them in places or in receptacles designated by Landlord. Landlord may require Tenant to clean-up on a daily basis, and shall be entitled to clean-up at Tenant's expense if Tenant fails to comply with Landlord's reasonable requirements in this respect. At the completion of Tenant's Work, Tenant shall leave the Premises clean and to the satisfaction of Landlord and shall remove all tools, equipment and surplus materials from the Premises and the Property and remove all waste material and refuse from the Premises and deposit them in places or in receptacles designated by Landlord. The final clean-up shall include the cleaning of all lighting fixtures, millwork units, store fronts and space which may be affected by the work.

5. Landlord shall not in any way be responsible or liable with regard to any work carried out or any materials left or installed in the Premises and shall be reimbursed for any additional costs and expenses caused by reason thereof, and for any delays which may be directly or indirectly caused thereby to Landlord or its contractor.

6. Any damage caused by Tenant's contractor or subcontractors employed on Tenant's Work to the Property or to any property of Landlord, or of other occupants shall be repaired by Landlord's contractor to the satisfaction of Landlord at Tenant's expense.

7. If Tenant's contractor neglects to carry out the work properly or fails to perform any work required by or in accordance with the Approved Final Plans, Landlord, after 5 days written notice to Tenant and Tenant's contractor, may, without prejudice to any right or remedy Landlord may have, complete the work, remedy the default or make good any deficiencies at Tenant's expense.

8. Tenant shall be entirely responsible for the security of the Premises during construction and Landlord shall not be liable for any loss or damage suffered by Tenant.

9. Tenant shall maintain and keep on the Premises at all times during construction and the Term, a suitable portable fire extinguisher for Class A, B and C fires.

10. Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising out of work done by Tenant or its contractors and Tenant shall promptly cause to be removed any liens filed against title to the Premises or the Property, failing which, Landlord may do so and Tenant shall pay all Landlord's costs.

11. Tenant shall perform its work expeditiously and efficiently and shall complete the same within the period stipulated in the Lease or any other agreement between the parties subject only to circumstances over which Tenant has no control and which by the exercise of due diligence could not have been avoided.

12. Tenant shall not cause any disruption to other tenants of the Property.

13. Tenant shall pay the construction management fee charged by Landlord's agent.

E. CONSTRUCTION OF TENANT'S WORK

Tenant will, at its expense and subject to the provisions of this Exhibit C, provide, furnish and install within the Premises all finishings, fixtures, electrical and mechanical work set forth in the Approved Final Plans and otherwise needed to complete the Premises and to equip the Premises ready for occupation.

Specific Restrictions.

- (a) Under no circumstances shall Tenant or its contractor at any time be permitted to drill or cut conduit, pipe sleeves, chases, duct equipment, openings in the floor, columns, walls or roofs of the Property. Any work of this type required by Tenant shall be authorized by the Landlord's Architect and performed by Landlord's contractor at Tenant's expense.
- (b) No suspended loads will be permitted from the underside of the structure slab or roof structure without written approval by Landlord.
- (c) Tenant will not be permitted to install openings, signs, and/or improvements in the exterior walls or interior demising partitions or bulkheads above the Premises for any purpose without the prior written approval of Landlord.
- (d) Arrangements for the storage and removal of perishable garbage must be provided to the satisfaction of Landlord.
- (e) Mounting of burglar alarms and signal systems on the exterior walls of the Premises or the building requires specific prior consent.

Tenant shall obtain from all contractors and subcontractors providing material and labor in the construction of Tenant's Work all commercially reasonable warranties (including manufacturers' warranties) for materials or labor as are available from such contractors or subcontractors. Such warranties shall run to Tenant during the Term and thereafter to Landlord. Tenant shall provide copies of such warranties to Landlord upon request.

F. SECURITY.

Tenant must obtain Landlord's specific approval of any security system installed in the Premises by Tenant and Tenant shall be responsible for all maintenance and repair of any such systems.