

BEFORE THE  
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-\_\_  
GENERAL RATE APPLICATION  
OF  
NORTHWEST NATURAL GAS COMPANY

December 18, 2020

**Direct Exhibit of Wayne K. Pipes**

**FACILITIES**

**Exh. WKP-5**

**LEASE AGREEMENT**

**BETWEEN**

**THIRD AND TAYLOR OFFICE OWNER, LLC**

**(“Landlord”)**

**and**

**NORTHWEST NATURAL GAS COMPANY**

**(“Tenant”)**

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ARTICLE 1  
BASIC LEASE TERMS

1.1 Terms. Reference in this Lease Agreement (“Lease”) to any of the terms listed below shall be deemed to incorporate and be a reference to the data or definition set forth next to such term in this Article.

(a) Landlord: Third and Taylor Office Owner, LLC, a Delaware limited liability company

(b) Landlord’s Address – For Notices:

Third and Taylor Office Owner, LLC  
c/o Rockwood Capital, LLC  
50 California Street, 30<sup>th</sup> Floor  
San Francisco, California 94111  
Attn: Asset Manager  
Attn: Legal Counsel

With a copy sent to:

Paul Hastings LLP  
101 California Street, 48<sup>th</sup> Floor  
San Francisco, California 94111  
Attn: Stephen I. Berkman, Esq.

(c) Tenant: Northwest Natural Gas Company, an Oregon corporation

(d) Tenant’s Address – For Notices:

NW Natural  
220 NW 2<sup>nd</sup> Avenue  
Portland, OR 97209  
Attn: Manager, Risk & Land

With a copy sent to:

NW Natural  
220 NW 2<sup>nd</sup> Avenue  
Portland, OR 97209  
Attn: General Counsel

With an additional copy sent to:

NW Natural  
220 NW 2<sup>nd</sup> Avenue  
Portland, OR 97209  
Attn: Facilities Manager

(e) Tenant's Address – For Billing:

NW Natural  
220 NW 2<sup>nd</sup> Avenue  
Portland, OR 97209  
Attn: Manager, Risk & Land

(f) Address of Premises: 250 Taylor Street

(g) Building: See Section 2.1

(h) Premises: See Section 2.1

(i) Execution Date: The last date appearing adjacent to the parties' signatures

below

(j) Commencement Date: See Section 3.1

(k) Turnover Date: See Exhibit L

(l) Extension Options: See Section 3.2

(m) Land: See Section 2.1 and Exhibit B

(n) Term: See Article 3

(o) Landlord's Work: See Section 2.1 and Exhibit E

(p) Tenant's Work: See Exhibit L

(q) Substantial Completion of Landlord's Work: See Exhibit E

(r) Permitted Use of Premises: See Article 7

(s) Premises Base Rent: See Section 4.1 and Exhibit I

(t) Additional Rent: See Section 4.1

(u) Rent: Premises Base Rent, Storage Base Rent and Additional Rent

(v) Base Rent during Extension Option(s): See Section 3.2(b)

(w) Premises Rentable Area: 178,851 square feet.

(x) Building Rentable Area: 179,685 square feet.

(y) Tenant's Proportionate Share: One hundred percent (100%).

(z) Rentable Area: Landlord and Tenant hereby stipulate and agree that the Rentable Area of the Premises, Storage Space and the Building are set forth in the Basic Lease Terms. The Rentable Area shall not be subject to recalculation.

(aa) Lease Year: The first twelve (12) full calendar months beginning with the Rent Commencement Date and each succeeding twelve (12) month period. The first Lease Year also includes the period, if any, from the Commencement Date until the Rent Commencement Date and from the Rent Commencement Date (if the Rent Commencement Date is not the first day of a calendar month) to the first day of the following calendar month.

(bb) Laws: Laws, ordinances, rules and regulations, orders and other requirements of any government authority now in force or which may hereafter be in force, including, but not limited to, building and zoning laws, the Americans with Disabilities Act (as amended) and health, energy, and fire codes of state, local and federal governments, agencies, and boards (collectively "Laws").

(cc) Controllable Operating Cost: Any Operating Cost that is within the reasonable control of Landlord, but specifically excluding costs of all utilities, capital expenditures under Section 5.4, insurance, security to the extent that Landlord provides security services in accordance with Section 6.5, Real Estate Taxes, any other Tenant directed services, and the costs associated with the repair, replacement or maintenance of the Building Generator (as defined below) and the Electrical Distribution System (as defined below).

(dd) Common Areas: The Building common entrances, lobbies, elevators, stairways and accessways, Rooftop Terrace (as such term is defined below), loading docks, ramps, drives and platforms and any passageways and serviceways thereto, loading and unloading areas, trash areas, the Parking Garage (as such term is defined below), roadways, sidewalks, walkways, parkways, driveways, landscaped areas, bike parking, and similar areas and facilities.

(ee) Comparable Market Area: The Central Portland submarkets known as of the Execution Date as Downtown, Pearl, West End and Close-in Eastside.

(ff) Storage Space Rentable Area: 834 square feet.

(gg) Storage Base Rent: See Section 2.3

(hh) Normal Business Hours: Monday through Friday, 7:30 am – 6:00 pm and Saturday 8:00 am – 1:00 pm.

(ii) Business Day: Any 24-hour day other than a Saturday, Sunday or federal or state legal holiday in the State of Oregon.

(jj) Affiliate: With respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with the Person in question. For purposes of this Lease, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management or policies of the controlled Person by ownership interest, contract, or otherwise. For purposes of this Lease, "Person" shall mean

any natural person, corporation, firm, limited liability company, partnership or other entity. For avoidance of doubt, “Affiliate” includes, without limitation: (a) any company of which the Person is a wholly owned subsidiary, and (b) the entities listed in Exhibit D.

(kk) **Base Building Systems:** All base building systems that are included within Landlord’s Work and include, but are not limited to: (i) the main electrical Building service (including the Electrical Distribution System), (ii) the main Building heating, ventilation and air conditioning (“HVAC”) system, (iii) the mechanical system of the Building, (iv) the main plumbing system of the Building, (v) Building elevators, (vi) main Building security system, (vii) the main Building telecommunications facilities, (viii) the Building life-safety system, (ix) the Building sprinkler system, (x) the pipes, conduits, wires and appurtenant equipment serving but not located within the Premises, and (xi) the Building Generator. For avoidance of doubt Base Building Systems do not include: (a) Alterations, improvements or other items constructed as a part of Tenant’s Work, (b) the distribution within the Premises of the electrical, HVAC, plumbing, security system, telecommunication facilities and Building life-safety system, from the Premises’ point of connection at the terminus of Landlord’s Work and (c) the portion of the Building sprinkler system that is part of Landlord’s Work and is located within the Premises.

(ll) **Base Building Services:** The services provided by the Base Building Systems; provided, however, that the Building Generator is expressly excluded from the Base Building Services.

(mm) **Permitted Transferee:** Any Non NW Natural Surviving Entity, Transferee Affiliate or Asset Purchaser (each as defined in Section 18.1) with respect to which the requirements of Section 18.1 are satisfied.

(nn) **Tangible Net Worth:** Total equity less intangible assets determined as of the applicable determination date by the Person’s most recent and available year-end fiscal period financial reports that have been prepared in accordance with the generally accepted accounting principles (“GAAP”) and audited or otherwise certified in a manner reasonably acceptable to Landlord. For avoidance of doubt, Northwest Natural Gas Company’s Tangible Net Worth as of the Execution Date is \$811,132,765 determined: (i) as to its total equity (\$850,497,000), by its most recent 10-K filing (filed 2/27/2017) and (ii) as to its intangible assets (\$39,364,235), by its most recent FERC FORM 2 filing (filed 5/1/2017).

1.2 **Exhibits.** The Exhibits listed below are attached and are incorporated in this Lease by this reference.

- (a) Exhibit A - Premises
- (b) Exhibit B - Land
- (c) Exhibit C - Commencement Certificate
- (d) Exhibit D - Currently Existing Tenant Affiliates
- (e) Exhibit E - Landlord’s Work

- (f) Exhibit F - Permit Submittal Plans
- (g) Exhibit G - Base Building Specifications
- (h) Exhibit H - Intentionally Deleted
- (i) Exhibit I - Premises Base Rent
- (j) Exhibit J - Rules and Regulations
- (k) Exhibit K - Form of Estoppel Certificate
- (l) Exhibit L - Work Letter

## ARTICLE 2 DESCRIPTION OF PREMISES

2.1 Premises. Landlord leases to Tenant the portion of the building (the “Building”) to be constructed by Landlord on the real property (the “Land”) described in Exhibit B (collectively, the “Premises”). The Premises is depicted in Exhibit A. The Premises consist of all of the Building except for the Common Areas. Landlord’s obligation to construct the Building and related obligations are set forth in and are defined in Exhibit E as “Landlord’s Work”. Tenant’s obligation to construct the initial improvements to the Premises and related obligations are set forth in and are defined in Exhibit L as “Tenant’s Work”.

2.2 Common Areas. Tenant shall have the use and enjoyment of the Common Areas and the appurtenances and the benefits of any appurtenant easements and rights of way benefiting the Land or the Building 24 hours a day 365/366 days per year (subject to (a) Landlord’s right to temporarily close the Common Areas for repairs and/or maintenance or (b) an emergency situation that prevents Tenant’s use) in accordance with all Laws and all matters of record affecting the Land and the Building recorded in the official records of Multnomah County (the “Official Records”). So long as Tenant leases the entirety of the Building, Tenant shall have exclusive use of the Common Areas for the purposes for which they were intended, including, without limitation, for adequate and unobstructed pedestrian and vehicular traffic, access, ingress and egress to, from, and between the streets adjoining the Building. The use of such appurtenances and the Common Areas shall be without payment of any fee or other charge being made therefor except the sums expressly provided to be paid by Tenant under this Lease. So long as Tenant leases the entirety of the Building, Landlord shall make no material changes to the Common Areas without Tenant’s reasonable approval except (i) to the extent necessary to comply with Laws, (ii) with respect to health and/or safety concerns that pose a risk to persons or property or (iii) to the Rooftop Terrace in accordance with the terms of Article 28. If at any time, Tenant shall not lease the entirety of the Building, Landlord reserves the right from time to time in its reasonable discretion to change or modify the size, use, shape, location or nature of all or any portion of the Common Areas, all without liability to Tenant; provided that no changes shall be made to the Common Areas that would materially interfere with Tenant’s access to or use of the Premises.

2.3 Storage Space. The Premises include the storage space depicted and to be located as shown on Exhibit A (the “Storage Space”). The leasing of the Storage Space shall be on the same terms and conditions of this Lease except: (i) monthly base rent for the Storage Space shall be Eighteen and 00/100 Dollars (\$18.00) per square foot on an annual basis (\$1.50 per square foot on a monthly basis) (the “Storage Base Rent”), (ii) no Operating Costs or Real Estate Taxes shall be payable in connection with the Storage Space and (iii) no Tenant’s Work Allowance (as such term is defined herein) shall be payable in connection with the Storage Space.

### ARTICLE 3 TERM

3.1 Term. The term of this Lease shall begin (the “Commencement Date”) on the later of: (i) Substantial Completion of Landlord’s Work in accordance with the requirements of Exhibit E with all Common Areas open and available for Tenant’s uninterrupted and unimpeded use, subject to completion of typical punch list items, and (ii) the earlier of (a) the date that is seven (7) months after Tenant Delivery Status (as such term is defined in Exhibit E) or (b) the date that Tenant first conducts active business operations in any portion of the Premises, and ends on the date that is the later of (y) 240 full calendar months after the Commencement Date or (z) May 31, 2040 (the “Initial Term”), unless Tenant exercises one or more Extension Options (as such term is defined below) under Section 3.2 or the Term ends earlier under this Lease. As used herein, “Term” means the Initial Term and any additional period of time resulting from Tenant’s exercise of one or more Extension Options. If the Commencement Date would not be a Business Day, then the Commencement Date shall be the next Business Day. Within sixty (60) days of the Commencement Date, Landlord and Tenant shall execute and deliver a certificate in the form set forth in Exhibit C (the “Commencement Certificate”). Should any item of the Commencement Certificate not be definitively determined as of the sixtieth (60<sup>th</sup>) day after the Commencement Date, Landlord and Tenant shall proceed to execute the Commencement Certificate as to such matters that have been definitively determined and shall execute an additional certificate in substantially the same form as Exhibit C upon the final determination of any item that had not been determined within sixty (60) days of the Commencement Date. Upon the request of either Landlord or Tenant, the Commencement Certificate shall include any other item that could not or was not definitively established until the completion of the Building or depended on the determination of any item set forth in the Commencement Certificate.

### 3.2 Extension Options.

(a) Tenant shall have the right to extend this Lease as to the entire Premises for two (2) successive additional periods of seven (7) years (each an “Extension Option”) commencing on the expiration of the Initial Term or the immediately preceding Extension Option term, as the case may be, upon the same terms and conditions of this Lease. To exercise an Extension Option, (i) there shall be no Tenant Default (as defined below) continuing at the time Tenant exercises the Extension Option, (ii) Tenant must give written notice (the “Extension Exercise Notice”) to Landlord that Tenant is irrevocably exercising the Extension Option at least eighteen (18) months before the Term expires and (iii) Tenant shall not have subleased more than five (5) full floors of the Premises at both (x) the time that Tenant exercises the Extension

Option and (y) immediately prior to the effectiveness of the Extension Option; provided that if Tenant has subleased more than two (2) full floors and not more than five (5) full floors of the Premises as of the exercise of the Extension Option, then in order to exercise the Extension Option, Tenant shall have as of the date that Tenant exercises the Extension Option a corporate credit rating which is equal to or greater than A- according to Standard & Poor's or an equivalent rating from another recognized rating agency. If Tenant does not maintain such credit rating as of the date of exercise of the Extension Option, then Tenant may still exercise the Extension Option provided that Tenant deposits with Landlord a Letter of Credit (as defined below) to be held pursuant to the terms of Article 39 within thirty (30) days following Tenant's delivery of the Exercise Extension Notice. Any remaining Extension Option will expire if Tenant does not timely exercise the preceding Extension Option. Upon Tenant giving Landlord timely notice of exercise and complying with the foregoing provisions of this Section 3.2 (including providing evidence of its credit rating or the Letter of Credit if required), the Term of this Lease shall be deemed to be automatically extended to include the Extension Option period on the terms and conditions set forth in this Section 3.2. If Tenant timely exercises an Extension Option, the parties shall execute an amendment to this Lease memorializing the terms of the Extension Option within thirty (30) days after the Base Rent for the Extension Option term is determined under Section 3.2(b) below. The parties shall be bound to the Extension Option, however, notwithstanding any failure to execute such an amendment.

(b) Base Rent for each Extension Option term shall be the Market Rent (as such term is defined below) for the Extension Option term. If the parties are unable to agree on Market Rent within sixty (60) days after Tenant gives Landlord its notice exercising the Extension Option (the "Notice Date"), then each party shall appoint a disinterested, independent appraiser who is a member of the American Institute of Real Estate Appraisers (an "Appraiser") and has at least five (5) years' experience appraising rental properties in the Comparable Market Area by 5:00 p.m. as of the end of such sixty (60) day period. If the Appraisers are unable to reach agreement about Market Rent within ninety (90) days after the Notice Date, then the Appraisers shall cooperate to select a mutually agreeable third appraiser with the same qualifications as set forth above (the "Third Appraiser"). If the Appraisers are unable to select the Third Appraiser within thirty (30) days, then either party may apply to the senior judge of Multnomah County Circuit Court who shall make the selection. Once the Third Appraiser is selected, each Appraiser shall submit a determination of Market Rent to the Third Appraiser within thirty (30) days thereafter. The Third Appraiser shall determine Market Rent (applying the definition stated above) for the initial Lease Year of the applicable Extension Option term, plus market standard increases during the remainder of such Extension Option term, within thirty (30) days based solely on the materials submitted by the Appraisers and the Third Appraiser shall select as Market Rent either the determination of Market Rent submitted by Tenant or the determination of Market Rent submitted by Landlord and shall not select any other amount as Market Rent hereunder. Each party shall bear the expense of retaining its Appraiser. The fees and expenses of the Third Appraiser and other expenses related to selecting the Third Appraiser shall be borne equally by the parties. The Third Appraiser's determination of Market Rent shall be final and binding on the parties. Judgment upon the determination of Market Rent rendered by the Third Appraiser may be entered in any court having jurisdiction. "Market Rent" means the prevailing market rental rate during the initial Lease Year of the applicable Extension Option term and annual rent increases that a willing tenant would pay and a willing landlord would accept in an arm's length bona fide negotiation for office space of comparable quality, design

and location in the Comparable Market Area for an amount of space comparable to the amount then leased by Tenant taking into account the single tenant nature of the Premises (provided that if there are fewer than three (3) such comparable leaseholds in the Comparable Market Area then the market area shall be expanded to include other appropriate comparable market area(s)), taking into consideration all relevant factors including, without limitation, any concessions or inducements (e.g., rent abatement, tenant improvement and other allowances) then being offered by landlords to prospective tenants (or by prospective tenants to landlords) for comparable space, definition of “rentable area” applicable to the comparable spaces, distinction between gross and net rentals, services provided and creditworthiness of tenant.

(c) Each Extension Option is personal to Northwest Natural Gas Company or a Permitted Transferee and may not be assigned, voluntarily or involuntarily, to any other Person.

3.3 Limitation of Commencement Date. Notwithstanding anything to the contrary herein, the Initial Term shall not commence earlier than June 1, 2019 for any reason whatsoever.

3.4 Delivery of Executed Lease and Related Documents. If Landlord fails to deliver to Tenant one (1) fully executed original of this Lease within ten (10) days after Tenant delivers to Landlord two (2) duplicate originals of this Lease executed by Tenant, then Tenant may, if Tenant so elects, withdraw its execution and delivery of this Lease by giving Landlord written notice of withdrawal, which shall be effective on the date it is given. Upon such withdrawal, this Lease shall be null and void and of no further force and neither party shall have any rights against the other under this Lease. Nothing in this Section 3.4 shall be construed to in any way limit the nature or extent of Landlord’s covenants or duties under other provisions of this Lease.

#### ARTICLE 4 RENT

4.1 Rent. Tenant shall pay to Landlord the Premises Base Rent beginning on the Rent Commencement Date (as defined below) at the time and in the amounts as set forth in Exhibit I and the Storage Base Rent in accordance with and as set forth in Section 2.3. As used herein, “Rent Commencement Date” means the later of: (y) the Commencement Date or (z) June 1, 2020. As used herein, “Base Rent” means Premises Base Rent and Storage Base Rent. The Operating Costs, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, including without limitation any and all other sums that may become due by reason of any default of Tenant or failure on Tenant’s part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, are hereinafter collectively referred to as “Additional Rent”. Base Rent and estimated Operating Costs shall be due and payable in twelve (12) equal installments on the first day of each calendar month throughout the Term. Tenant hereby agrees to pay such Rent to Landlord at Landlord’s address as provided herein (or such other address as Landlord designates from time to time) monthly in advance. Tenant shall pay all Rent and other sums of money which are due and payable by Tenant to Landlord at the times and in the manner provided in this Lease, without demand, set off, adjustment, deduction, counterclaim or abatement (except as

specifically provided to the contrary herein). If the Commencement Date is other than the first day of a calendar month or if this Lease terminates on a day other than the last day of a calendar month, then the installments of Base Rent, Additional Rent and/or Operating Costs for such month or months shall be prorated on a daily basis and the installment or installments so prorated shall be paid in advance.

4.2 Late Charges. Any Rent or other amounts payable to Landlord under this Lease, if not paid by the fifth (5<sup>th</sup>) day of the month with respect to Base Rent, or within five (5) days after the due date specified on any invoice from Landlord for any other amounts payable hereunder, shall incur a late charge of five percent (5%) of the total overdue amount (the "Late Charge") for Landlord's administrative expense in processing such delinquent payment and in addition thereto shall bear interest at the lesser of (i) twelve percent (12%) per annum or (ii) the maximum rate allowed by applicable Laws (the "Default Rate"), from and after the due date for such payment. Tenant agrees that the Late Charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of Tenant's late payment. Accepting any Late Charge shall not constitute a waiver by Landlord of Tenant's default with respect to any overdue amount nor prevent Landlord from exercising any other rights or remedies available to Landlord. Notwithstanding the foregoing, Tenant shall not be required to pay the Late Charge for the first late payment of Rent during any Lease Year provided the overdue amount is received by Landlord within five (5) Business Days following written notice that such amount is due.

## ARTICLE 5 OPERATING COSTS, CAPITAL EXPENDITURES, AND REAL ESTATE TAXES

5.1 Operating Costs. From and after the Rent Commencement Date, Tenant shall pay to Landlord as Additional Rent Tenant's Proportionate Share of Operating Costs.

For the purposes of this Lease, "Operating Costs" shall mean all expenses, costs and disbursements, computed on a cash basis, incurred or paid by Landlord in connection with the management, operation, repair, replacement and maintenance of the Land and Building, including but not limited to, the following:

(a) The cost of all repairs, replacements, maintenance and operation of the Common Areas, all exterior lighting and the snowplowing of all walks, driveways and ramps to the Parking Garage, including the cost of ordinary materials and supplies consumed in connection with any such maintenance, repair, replacement and operation that in accordance with GAAP would not be capitalized;

(b) The management fee for Landlord or Landlord's managing agent, which fee shall not exceed two and one-quarter percent (2.25%) of all Rent plus any other revenues received by Landlord for operation of the Building during such time as Tenant leases all of the Building Rentable Area and is not subleasing more than two (2) full floors of the Premises;

(c) Wages, salaries and other costs of all on site and off site employees, agents, contractors, laborers or other workers at or below the level of general manager or senior

property manager engaged either full time or part time in the operation, maintenance, management or access control of the Building and/or the Land allocated to the Building based on the percentage of time each such Person devotes to the Building and/or the Land;

(d) Premiums incurred by Landlord for insurance coverage maintained by Landlord that is required by this Lease or that is customarily carried by operators of comparable buildings in the Comparable Market Area, including, without limitation, coverage for earthquake and similar perils which coverage shall include reasonable and customary deductibles;

(e) Service costs for elevators within the Building to the extent such costs are not covered by warranty;

(f) Cost of repair, replacement, maintenance and operation of the Building and the Base Building Systems and utility lines contained therein;

(g) The cost of refuse removal and janitorial services;

(h) Cost of supplies and materials used in connection with the operation, repair, and maintenance of the Premises, including, without limitation, bathroom and cleaning supplies, light bulbs, ballasts, fuses, and other electrical supplies, paper and paper goods;

(i) Acquisition and/or installation costs for capital expenditures to the extent capital expenditures are a recoverable Operating Cost pursuant to Section 5.4;

(j) Costs incurred in connection with complying with all Laws applicable to the Land and Building;

(k) During such time as Tenant is not the sole tenant of the Building, the costs of all utilities for the Common Areas;

(l) The costs associated with the installation, maintenance, replacement, repair and restoration of the Building Exterior Sign and Building Interior Signs;

(m) The costs for operation and maintenance of the bicycle parking areas and locker rooms; and

(n) Costs incurred by Landlord in connection with the encroachment of any electrical vaults (the "Electrical Vaults") into areas outside of the Project (as defined below).

Notwithstanding the generality of the preceding text, the following items shall be excluded or deducted, as the case may be, from the calculation of Tenant's Proportionate Share of Operating Costs:

(1) Leasing commissions, fees and costs, advertising and promotional expenses and other costs incurred in procuring tenants or in selling the Building;

(2) Legal fees except those incurred directly in connection with Landlord's operation and maintenance of the Building;

(3) Costs of renovating or otherwise improving or decorating space for any tenant or other occupant of the Building, including Tenant, or relocating any tenant;

(4) Financing costs including interest and principal amortization of debts and the costs of providing the same, but specifically excluding to the extent that financing costs are permitted by Section 5.4 hereof;

(5) Depreciation;

(6) Rental on ground leases or other underlying leases and the costs of providing the same;

(7) Wages, bonuses and other compensation of employees above the most senior executive responsible for management of the Land and Building on a day to day basis;

(8) Any liabilities, costs or expenses associated with or incurred in connection with the removal, enclosure, encapsulation or other handling of asbestos or other hazardous or toxic materials or substances and the cost of defending against claims in regard to the existence or release of Hazardous Substances (as defined below) at the Building (except with respect to those costs for which Tenant is otherwise responsible pursuant to the express terms of this Lease);

(9) Costs of any items for which Landlord is reimbursed by insurance;

(10) Increased insurance or Real Estate Taxes assessed specifically to any tenant of the Building or for which Landlord is entitled to reimbursement from any other tenant;

(11) Charges for electricity, water, or other utilities, services or goods and applicable taxes for which Tenant or any other tenant, occupant, person or other party is obligated to reimburse Landlord or to pay to third parties;

(12) Cost of any HVAC, janitorial or other services provided to tenants other than Tenant on an extra cost basis after regular business hours;

(13) Cost of installing, operating and maintaining any specialty service that is not within the Premises, such as an observatory, broadcasting facilities, child or daycare, luncheon club or athletic or recreation club;

(14) Intentionally deleted;

(15) Cost of any work or service performed on an extra cost basis for any tenant in the Building to a materially greater extent or in a materially more favorable manner than furnished generally to the tenants and other occupants;

(16) Cost of any work or services performed for any facility other than the Building;

(17) Any cost representing an amount paid to a Person related to Landlord that is in excess of the amount which would have been paid in the absence of such relationship;

(18) Any cost of painting or decorating any interior parts of the Building other than Common Areas;

(19) Any cost associated with operating an on-or off-site management office for the Building to the extent the size thereof exceeds customary management offices for a similarly-sized Class “A” office building in the Comparable Market Area;

(20) Landlord’s general overhead and any other expense not directly attributable to operation and management of the Building (e.g., the activities of Landlord’s officers and executives or professional development expenditures);

(21) Cost of initial cleaning and rubbish removal from the Building to be performed before final completion of the Building or any tenant space;

(22) Cost of initial landscaping of the Building;

(23) Costs of any mitigation fees, impact fees, subsidies, tap-in fees, connection fees or similar one time charges or costs (however characterized), imposed or incurred in connection with the initial construction or subsequent expansion of the Building;

(24) Any fees, costs or expenditures incurred in connection with negotiations, disputes and claims of other tenants or occupants of the Building;

(25) Cost of any capital expenditure (as such term is defined in Section 5.4) of any type or kind, except to the extent Landlord is expressly allowed to recover such capital expenditure cost under Section 5.4;

(26) Lease payments for rental equipment (other than equipment for which depreciation is properly charged as an expense) that would constitute a capital expenditure if the equipment were purchased;

(27) Late fees or charges incurred by Landlord due to late payment of expenses;

(28) Cost of acquiring, securing, cleaning or maintaining sculptures, paintings and other works of art;

(29) Real Estate Taxes or taxes on Landlord’s business (such as income, excess profits, franchise, capital gains, etc.);

(30) Costs and expenses incurred in connection with compliance with or the contesting or settlement of any claimed violation of Laws;

(31) Costs incurred in connection with remedying violations of Laws in effect as of the Execution Date with respect to items constructed as a part of Landlord's Work;

(32) Charitable or political contributions; and

(33) All other items for which another party compensates or pays so that Landlord shall not recover any item of cost more than once nor shall Landlord recover costs in excess of the actual amount for Operating Costs actually incurred by Landlord.

5.2 Estimated Operating Costs. Landlord shall reasonably estimate the Operating Costs for each Lease Year wholly or partially included within the Term and shall use reasonable efforts to send notice of the estimate to Tenant within thirty (30) days after the Term begins for the first Lease Year and thereafter not more than thirty (30) days after commencement of each subsequent Lease Year. If Tenant requests, Landlord will give Tenant reasonably detailed documentation supporting Landlord's estimate. During each Lease Year included in the Term for which Tenant is to pay Operating Costs, Tenant shall pay, as Additional Rent, one twelfth (1/12<sup>th</sup>) of the applicable estimate each month to Landlord together with the Base Rent. If Landlord does not give Tenant an estimate within the time period stated above, then Tenant shall continue to make estimated payments based upon the preceding year's estimate and within thirty (30) days after receipt of the new estimate for the current Lease Year, Tenant shall commence payment of the new estimated monthly amount and shall pay in a lump sum any retroactive amounts due from the beginning of the new Lease Year. Notwithstanding anything in this Article 5 to the contrary, the amount of Controllable Operating Costs charged to and payable by Tenant in any Lease Year shall not exceed the Controllable Operating Costs for the initial Lease Year increased by four percent (4%) annually on a cumulative and compounded basis for each subsequent Lease Year through and including the applicable Lease Year for which the calculation is determined. There shall be no cap on Controllable Operating Costs for the initial Lease Year. The monthly charge for estimated Operating Costs shall be prorated for any partial month by dividing the Operating Cost charge by three hundred sixty-five (365) and multiplying the result by the number of days in the partial month for which Operating Costs are owed.

5.3 Verification of Operating Costs. Landlord shall use commercially reasonable efforts to submit to Tenant not later than one hundred fifty (150) days after the expiration of each Lease Year included in the Term, a written statement (a "Reconciliation Statement") in sufficient detail for verification by Tenant, containing the amount of actual Operating Costs for such Lease Year broken down by component expenses, the amount of Tenant's Proportionate Share of the Operating Cost increase (capped, if applicable), and the amount if any Tenant owes Landlord or the amount Landlord owes Tenant as a refund for such year. Landlord's books and records pertaining to the calculation of Operating Costs for the current or previous Lease Year may be audited, at Tenant's expense, by an Authorized Representative of Tenant for a period of one hundred eighty (180) days following the delivery of a Reconciliation Statement (or any statement revising the same); provided, that Tenant shall give Landlord not less than ten (10) Business Days' prior written notice of any such audit. For purposes hereof, an "Authorized Representative" of Tenant shall mean a bona fide employee of Tenant, any national accounting firm, or any other party reasonably approved in writing by Landlord, in each case who is not representing, and agrees not to represent, any other tenant or subtenant in the Land regarding Additional Rent and is not working on a contingency basis. In

no event shall an Authorized Representative of Tenant include the owner of any office building in the Comparable Market Area or any Affiliate of such owner. Prior to the commencement of any audit, Tenant shall cause its Authorized Representative to agree in writing for the benefit of Landlord that such Authorized Representative will keep the results of the audit confidential and that such representative will not disclose or divulge the results of such audit except to Tenant and Landlord and except in connection with any dispute between Landlord and Tenant relating to Operating Costs. Such audit shall be conducted during Normal Business Hours at Landlord's office in Portland, Oregon where Landlord's books and records are maintained or by delivery of electronic copies to Tenant. Tenant shall cause a written audit report to be prepared by its Authorized Representative following any such audit and shall provide Landlord with a copy of such report promptly after receipt thereof by Tenant. If Landlord's calculation of estimated Operating Costs for the audited Lease Year is incorrect, then Tenant shall be entitled to a prompt refund of any overpayment or Tenant shall promptly pay to Landlord the amount of any underpayment, as the case may be. Tenant agrees to pay the cost of such certification and the investigation with respect thereto unless it is determined that the Operating Costs stated in the Reconciliation Statement were overstated in Landlord's favor by three percent (3%) or more, in which case Landlord shall pay the reasonable cost of same, not to exceed Ten Thousand Dollars (\$10,000.00). Tenant waives the right to dispute or contest, and shall have no right to dispute or contest, any matter relating to the calculation of Operating Costs (and waives the right to inspect Landlord's records with respect thereto) with respect to each Lease Year during the Term for which a Reconciliation Statement is given to Tenant if no claim or dispute with respect thereto is asserted by Tenant in writing to Landlord within one hundred eighty (180) days of delivery to Tenant of the original or most recent Reconciliation Statement with respect thereto.

5.4 Capital Expenditures. If, during the Term, Landlord shall make a capital expenditure for which Landlord shall be entitled to reimbursement as an Operating Cost as set forth below, then Tenant shall pay Tenant's Proportionate Share of the Annual Amortization of such capital expenditure. "Annual Amortization" shall be determined by amortizing the capital expenditure calculated as though such amounts are financed by Landlord at an interest rate of eight percent (8%) per annum over the useful life of the capital expenditure determined by Landlord under GAAP. With respect to capital expenditures, Tenant shall commence payment as Additional Rent of one twelfth (1/12<sup>th</sup>) of the annual amount shown in Landlord's notice with the next and each succeeding installment of Base Rent becoming due during the Term (including any extensions thereof).

For purposes of this Lease, "capital expenditure" means any items that, under GAAP, are properly classified as capital expenditures. Landlord shall only be entitled to include within Operating Costs the costs of capital expenditures if such capital expenditure is (A) required to the extent due to (i) the installation, use, or operation of any Alterations or other modification to the Premises, Land and/or Building made by Tenant; (ii) the installation, use, or operation of Tenant's property or fixtures; (iii) the moving of Tenant's property or fixtures in or out of the Premises or in and about the Land and/or Building or (iv) the acts, omissions, or negligence of any Tenant Parties (as defined below), (B) acquired to cause, in Landlord's good faith judgment, an immediate (i.e., commencing within the first year after completion of such repairs, replacements or improvements or installation of such equipment) reduction in other Operating Costs or (C) incurred due to any new Laws first enacted or made applicable after the Turnover Date.

5.5 Tenant's Proportionate Share. "Tenant's Proportionate Share" equals the ratio of Rentable Area of the Premises (exclusive of the Storage Space) to the total Rentable Area of the Building (exclusive of the Storage Space), which as of the Commencement Date shall be one hundred percent (100%).

5.6 Real Estate Taxes. "Real Estate Taxes" means all taxes, assessments and governmental charges attributable to the Building and/or Land, whether or not directly paid by Landlord, including, without limitation, general real estate taxes and assessments levied against the Building and Land, community improvement district charges and fees and business improvement district charges and fees (and any other similar neighborhood or district tax) that are assessed and attributable to a Lease Year. Real Estate Taxes shall exclude, without limitation, any income, franchise, gross receipts, corporation, capital levy, excess profits, inheritance, gift, estate, payroll or stamp tax, which at any time may be assessed against or become a lien upon all or any part of the Premises or this leasehold. In addition, Real Estate Taxes shall exclude any liens or taxes, penalties or interest that are levied or assessed against the Premises for any time prior to the Term. If at any time during the Term the Laws concerning the methods of real property taxation prevailing at the commencement of the Term are changed so that a tax or excise on rents, gross receipts or any other such tax, however described, is levied or assessed against Landlord as a substitute in whole or in part for any Real Estate Taxes, the substitute tax or excise on rents shall be deemed to be Real Estate Taxes payable by Tenant.

5.7 Separate Tax Parcel. Landlord will cause the Land to be separately assessed and maintained so that Real Estate Tax bills shall issue solely with respect to the Real Estate Taxes applicable only to the Land and Building.

5.8 Payment of Real Estate Taxes. From and after the Rent Commencement Date, Tenant shall pay as Additional Rent Tenant's Proportionate Share of Real Estate Taxes assessed against the Land and Building for each tax period or portion thereof included within the Term and which during the Term are levied or imposed upon or become a lien or liens upon the Premises or any part thereof. For avoidance of doubt, Tenant has no obligation to pay Real Estate Taxes that relate to any portion of the Term prior to the Rent Commencement Date. Landlord shall provide verification of any computation of Tenant's Proportionate Share of Real Estate Taxes upon request by Tenant. Real Estate Taxes for the tax years in which the Term commences and expires shall be apportioned between Landlord and Tenant by dividing the amount of Real Estate Taxes by three hundred sixty-five (365) and multiplying the result by the number of days falling within the Term. Tenant shall pay Tenant's Proportionate Share of Real Estate Taxes as Additional Rent on a monthly basis based on one twelfth (1/12<sup>th</sup>) of Landlord's reasonable estimate of the actual Real Estate Taxes to be assessed against the Land and the Building relating to the applicable Lease Year. Payment of Real Estate Taxes shall be verified and reconciled in the same manner as Operating Costs as set forth in Section 5.3 above.

5.9 Tenant's Right to Contest Real Estate Taxes. Tenant may request of Landlord in writing not more than thirty (30) days prior to the final date by which any appeal of Real Estate Taxes must be filed whether or not Landlord will appeal Real Estate Taxes for the Premises for the tax bill in question. In any calendar year during the Term, if Landlord elects not to appeal Real Estate Taxes for the Premises, Tenant shall have the right to contest any

Real Estate Taxes levied against all or any portion of the Premises, at Tenant's sole cost and expense, provided, however, that Tenant shall keep Landlord reasonably advised as to the course and progress of the contest and the cost thereof and consult with Landlord as to the strategy and tactic it intends to use and is using in pursuing the contest. Tenant's right to contest Real Estate Taxes as set forth in this Section 5.9 shall only be permitted if Landlord does not elect to directly contest the Real Estate Taxes. If Tenant elects to exercise the option to appeal pursuant to this Section 5.9, then Tenant shall provide Landlord with written notice (an "Appeals Notice") at least fifteen (15) days prior to the final date in which the appeal must be filed. Tenant may at any time in its sole discretion direct Landlord to terminate an appeal that Tenant previously elected pursuant to an Appeals Notice. Landlord shall provide any cooperation reasonably requested by Tenant in connection with any such appeal, including filing any documentation or pleading required to be filed by the owner of the property, and Tenant shall pay Landlord's reasonable actual out-of-pocket expenses in connection with such cooperation. Tenant shall be entitled to Tenant's Proportionate Share of any refund obtained by reason of any such proceeding or otherwise whether obtained during or after the expiration of the Term and whether obtained by Landlord or Tenant, except that if the refund shall relate to the year in which the Term commences or expires, the refund shall be apportioned between Landlord and Tenant according to the number of days within the Term.

5.10 Subsequent Assessments. Landlord shall pay, without being entitled to reimbursement from Tenant under this or any other Section of this Lease, any and all one-time assessments, impositions, cost of mitigation, impact fee, connection fee, tap-in fee, similar one-time charge or other charge imposed as a condition of or in connection with development of the initial Building or any expansion of the Building. Landlord shall amortize assessments for which it is entitled to obtain reimbursement from Tenant at an interest rate of eight percent (8%) per annum over the useful life of the improvement determined by Landlord under GAAP. Landlord shall give notice to Tenant of the annual amortized amount. Tenant shall, during the remainder of the Term, pay to Landlord monthly, one twelfth (1/12<sup>th</sup>) of Tenant's Proportionate Share of the amount shown in such notice, payable with the Base Rent payments due and payable under Article 4.

## ARTICLE 6 UTILITIES AND SERVICES

6.1 Utilities And Related Services. Landlord shall provide throughout the Term the services described in this Article 6, subject to the terms and conditions of this Lease.

### 6.2 Costs of Electrical Service; Metered Utilities.

(a) Landlord shall construct the Building so that electrical service to and serving the Premises shall be separately metered.

(b) Landlord shall at all times make electricity available to the Premises (including adequate electrical wiring and facilities for connection to Tenant's lighting fixtures and other equipment) for lighting and power suitable for general office use and otherwise consistent with the Base Building Specifications. Tenant shall not use any electrical equipment

which, in Landlord's reasonable judgment, would exceed the capacity of the electrical equipment serving the Premises.

(c) From and after the Rent Commencement Date, Tenant shall pay directly and not as a part of Operating Costs for all water, gas, heat, light, power, telephone, sewer, sprinkler system charges, trash collection services, and other utilities and services used on or from the Premises, and during such time as Tenant is the sole tenant of the Building, the Common Areas, together with any taxes, penalties, and surcharges or the like pertaining thereto and any maintenance charges for utilities. Any such charges paid by Landlord and assessed against Tenant shall be payable to Landlord and shall be Additional Rent hereunder. In addition, if applicable, to the extent any utility is not separately metered to the Premises, Landlord may, at Tenant's expense, install and shall have access to the Premises to monitor a separate meter (or submeter) to determine the actual use of any utility in the Premises or any shared common area and may make available and share actual whole-project energy and water usage data as necessary to maintain the Building's "green building" certification, if any. If there is no meter or submeter in the Premises, then, upon request, Tenant shall provide monthly utility usage to Landlord in electronic or paper format or provide permission for Landlord to request information regarding Tenant's utility usage directly from the utility company. If Tenant is billed directly by a public utility with respect to Tenant's energy usage at the Premises, then, upon request, Tenant shall provide monthly energy utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's energy usage with respect to the Premises directly from the applicable utility company. Notwithstanding the foregoing, for the period commencing on the Commencement Date through the Rent Commencement Date, Tenant shall either pay directly or reimburse Landlord for (and not as a part of Operating Costs) all utilities and services used on or from portions of the Premises to the extent in excess of amounts required for standard office use, together with any taxes, penalties, and surcharges or the like pertaining thereto and any maintenance charges for such additional utility charges.

(d) Landlord shall use reasonable efforts to enter into an agreement with the adjacent property owner for sharing the costs of encroachment for the Electrical Vaults.

6.3 HVAC. Landlord shall furnish HVAC to the distribution point of the Premises during Normal Business Hours. Upon Tenant's request, Landlord shall furnish HVAC to the distribution point at the Premises at times other than Normal Business Hours and Tenant shall pay Landlord a rate per hour as mutually agreed to by the parties within sixty (60) days of the Execution Date for such service outside of Normal Business Hours, which rate shall not be greater than Twelve and 50/100 Dollars (\$12.50) per hour per floor.

6.4 Janitorial Service. Tenant shall provide janitorial service to the Premises so that the Premises are cleaned according to customary service performance standards for first-class office buildings. Tenant will use its commercially reasonable efforts to hire a contractor to recycle all items for the Building. Tenant will be responsible for separating its trash.

6.5 Security Service.

(a) From and after the Commencement Date, Tenant shall be responsible to provide for and pay directly for security services for the Building, including the Common Areas. Landlord and Tenant shall mutually agree on the scope of such security services prior to the Commencement Date, subject to Landlord's reasonable approval not to be unreasonably withheld, conditioned or delayed. If Tenant fails to maintain adequate security, as reasonably determined by Landlord, Landlord may, but shall not be obligated to, (i) obtain additional security which shall be included as an Operating Cost and/or (ii) assume control of the existing security services, in which event Tenant shall execute any such documents reasonably required in order for Landlord to assume control of such security services. If Tenant contracts with a third party to provide security services, such third party security service shall be subject to Landlord's approval, which approval Landlord shall not unreasonably withhold, condition or delay. Tenant shall require any third party security service provider to maintain liability insurance with commercially reasonable limits and Tenant shall require that Landlord be named as an additional insured on such liability policy and shall be primary to and not contributory with insurance maintained by Landlord. Tenant shall provide evidence of satisfactory insurance coverage to Landlord in advance of providing such security services for the Building on the Commencement Date.

(b) In no event shall Landlord have any liability whatsoever to Tenant for failure to provide security services and Tenant hereby waives any claim against Landlord for, and expressly assumes the risk of, (i) any unauthorized or criminal entry of third parties into the Premises or the Land, (ii) any damage to persons in or about the Premises or the Land, or (iii) any loss of property in and about the Premises or the Land, by or from any unauthorized or criminal acts of third parties, regardless of any action, inaction, failure, breakdown, malfunction and/or insufficiency of the security services provided by Landlord or any actual or alleged passive or active negligence of Landlord.

6.6 Interruption of Services or Utilities. If Base Building Services are interrupted for more than five (5) consecutive Business Days, and as a result of such circumstances, any portion of the Premises is rendered untenable (including inability to access the Premises or the Building), unless the cause of the interruption of services is (i) the utility provider, (ii) the actions or omissions of Tenant or (iii) a result of Force Majeure Delay (as defined in Exhibit E), then Tenant shall receive a day for day abatement of Base Rent and any Additional Rent attributable to Operating Costs and Real Estate Taxes as of the first full day that the Premises are rendered untenable as a result of such interruption. This abatement shall continue until the Premises is again tenable. The abatement shall only be for the portion of the Premises which is untenable and is not used by Tenant during the interruption. Notwithstanding the foregoing, Landlord agrees to use commercially reasonable diligent efforts following receipt of the notices required by this Lease to correct any interruption of Building System Services.

6.7 Tenant Security System. Tenant may install keyed, combination or cipher locks on interior doors of the Premises. Tenant may install an electronic security system for the Premises, including, but not limited to, pass card door lock systems and camera surveillance systems. Tenant shall promptly provide Landlord with copies of all keys, keycards, codes and other access devices (and any updates thereto) necessary to permit Landlord to exercise its rights of access and entry to the Premises. The installation of Tenant's security

systems shall be subject to Landlord's prior written approval pursuant to the Work Letter if part of Tenant's Work or if installed subsequently as an Alteration pursuant to Article 10.

6.8 Landlord Access. Notwithstanding anything to the contrary contained in this Section 6.8, Landlord or any Landlord Party (as defined below) may enter the Premises at any time to: (a) examine and inspect the Premises (including to confirm Tenant's compliance with its obligations under this Lease), (b) show the Premises to prospective investors, purchasers, mortgagees, lessors or lessees, (c) make such repairs, alterations, replacements or additions to the Premises (i) which Landlord may elect to perform following Tenant's failure to perform or in the event of an emergency or (ii) for which Landlord is responsible, (d) comply with any Laws and (e) post notices of non-responsibility; provided, however, that Landlord shall, except in case of emergency, afford Tenant such prior notification of an entry into the Premises as shall be reasonably practicable under the circumstances, but not less than one (1) Business Day, unless otherwise agreed to by Tenant. In exercising such rights, Landlord shall use commercially reasonable efforts to not unreasonably interfere with Tenant's access to and use of the Premises ("Landlord's Noninterference Covenant"). Landlord shall be allowed to take into and through the Premises any and all materials that may be required to make any such repairs, additions, alterations or improvements. Subject to Landlord's compliance with Landlord's Noninterference Covenant, any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as are required to accomplish the stated purposes. Tenant hereby waives any claims of inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises resulting from Landlord's exercise of its rights and remedies under this Section 6.8. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the circumstances and manner described in this Section 6.8 shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

6.9 Change of Normal Business Hours. Not more than once per Lease Year and with ten (10) Business Days' prior written notice from Tenant to Landlord, Tenant may change the specific hours that Normal Business Hours apply to the Premises so long as the Normal Business Hours do not exceed ten and one-half (10.5) hours Monday through Friday and no more than five (5) hours on the weekend.

## ARTICLE 7 USE OF PREMISES

Tenant may use the Premises 24 hours a day – 365/366 days a year (subject to (i) Landlord's right to temporarily close portions of the Building for repairs and/or maintenance or (ii) an emergency situation that prevents Tenant's use) for general office and related purposes, in accordance with all Laws and all matters of record affecting the Land and the Building recorded in the Official Records, including (a) offices, (b) demonstration of Tenant's products and services, (c) training, (d) exercise area for Tenant's employees, (e) customer service, (f) natural gas business and operations center, (g) service and maintenance of Tenant's fleet vehicles in the Parking Garage, subject to all applicable Laws (h) cafeteria and reception area for Tenant's employees and guests, or Tenant may allow part or all of the Premises to remain vacant (the "Permitted Use"). Tenant shall be allowed to serve alcoholic beverages in the Premises and the

Rooftop Terrace so long as either (y) Tenant's liability insurance covers serving alcohol on the Premises and Rooftop Terrace and Tenant provides reasonable evidence to Landlord demonstrating coverage for serving alcohol or (z) if Tenant's liability insurance does not cover serving alcohol on the Premises and Rooftop Terrace, Tenant shall obtain commercially appropriate liquor liability insurance for such events or require its vendor(s) to provide evidence of the same at limits of liability that are reasonably acceptable to Landlord and submitting to Landlord a Certificate of Insurance evidencing "Liquor Liability" coverage and such insurance, whether secured by Tenant or its vendor(s), shall name Landlord as an additional insured and shall be primary to any insurance carried by Landlord. Tenant shall provide evidence of satisfactory insurance coverage to Landlord in advance of any alcohol being served on the Premises. Landlord shall not take any action following the date hereof that will cause the specific uses delineated in this Article 7 to be prohibited or otherwise restricted by any covenant, condition, restriction, easement or other instrument or matter affecting title or use of the Premises or any part thereof.

## ARTICLE 8 BUILDING GENERATOR; ELECTRICAL DISTRIBUTION SYSTEM

8.1 Selection of Building Generator. The Permit Submittal Plans include a five hundred (500) kilowatts ("kW") generator to provide back-up power for the Building life safety systems (the "Base Building Generator"). Tenant desires Landlord to consider upsizing the generator to two thousand (2,000) kW so that the generator is capable of additionally providing back-up power to all or a portion of the Premises (the "Enhanced Building Generator"). Landlord agrees to obtain bids for all costs associated to acquire and install (i) the Base Building Generator that is currently a part of the Permit Submittal Plans and all related installations including a five hundred (500) gallon diesel storage tank to fuel the Base Building Generator and (ii) the Enhanced Building Generator and all related installations including a three thousand (3,000) gallon diesel fuel tank to fuel the Enhanced Building Generator. Landlord shall provide the respective final bids for each option to Tenant for Tenant's review. Not later than ten (10) Business Days from Tenant's receipt of both bids from Landlord (including reasonable back-up information that Landlord may have been provided in connection with such bids), Tenant shall elect whether Landlord shall install, as part of Landlord's Work, the Base Building Generator or the Enhanced Building Generator by delivering written notice to Landlord. If Tenant selects the Base Building Generator, Landlord shall construct and install the Base Building Generator as part of Landlord's Work. If Tenant fails to notify Landlord of its selection within such ten (10) Business Day period then Tenant shall be deemed to have selected the Base Building Generator option. If Tenant selects the Enhanced Building Generator (a) Landlord shall construct and install the Enhanced Building Generator as part of Landlord's Work and (b) Tenant shall pay the cost differential between the Base Building Generator bid and the Enhanced Building Generator bid within ten (10) Business Days of Tenant's selection. Notwithstanding the foregoing, if the actual costs of acquiring and installing the Enhanced Building Generator are greater than the amount set forth in the bid for the Enhanced Building Generator, then Tenant shall pay the Upsized Generator Cost Differential (as defined below), which amount shall be paid either by a reduction of Tenant's Work Allowance or by a direct payment to Landlord (at Landlord's election) within ten (10) Business Days of Landlord's request therefor. The additional one thousand five hundred (1,500) kW provided by the Enhanced Building Generator shall be made available to Tenant for distribution within the Premises as Tenant shall elect and as

part of Tenant's Work. The term "Building Generator" means either the Base Building Generator or the Enhanced Building Generator, whichever is actually installed. Landlord shall enter into a commercially reasonable maintenance contract for the Building Generator and Tenant acknowledges and agrees that such maintenance contract shall govern the maintenance and repair of the Building Generator, and, notwithstanding any provision in this Lease to the contrary, Landlord's sole maintenance and repair obligation with respect to the Building Generator shall be to enter into such maintenance contract for the Building Generator. The term "Upsized Generator Cost Differential" means seventy-five percent (75%) of the difference between the actual costs of acquiring and installing the Enhanced Building Generator and the amount of the Enhanced Building Generator bid. Notwithstanding anything contained herein to the contrary, should Tenant request any changes to the Building Generator, all costs associated with such Tenant changes to the Building Generator shall be paid solely by Tenant within ten (10) Business Days of Landlord's request therefor.

8.2 Changes to Electrical Systems. If Tenant's selection of the Enhanced Building Generator requires a change to the electrical distribution or the Base Building Systems, Landlord agrees to obtain bids for all costs associated to acquire and install (i) the electrical distribution required for the Base Building Generator (the "Base Building Electrical Distribution System") and (ii) the electrical distribution required for the Enhanced Building Generator (the "Enhanced Building Electrical Distribution System"). Landlord shall provide the respective final bids for each option to Tenant for Tenant's review. Not later than ten (10) Business Days from Tenant's receipt of both bids from Landlord (including reasonable back-up information that Landlord may have been provided in connection with such bids), Tenant shall elect whether Landlord shall install, as part of Landlord's Work, the Base Building Electrical Distribution System or the Enhanced Building Electrical Distribution System by delivering written notice to Landlord. If Tenant selects the Base Building Electrical Distribution System, Landlord shall construct and install the Base Building Electrical Distribution System as part of Landlord's Work. If Tenant fails to notify Landlord of its selection within such ten (10) Business Day period then Tenant shall be deemed to have selected the Base Building Electrical Distribution System option. If Tenant selects the Enhanced Building Electrical Distribution System (a) Landlord shall construct and install the Enhanced Building Electrical Distribution System as part of Landlord's Work and (b) Tenant shall pay the cost differential between the Base Building Electrical Distribution System bid and the Enhanced Building Electrical Distribution System bid within ten (10) Business Days of Tenant's selection. Notwithstanding the foregoing, if the actual costs of acquiring and installing the Enhanced Building Electrical Distribution System are greater than the amount set forth in the bid for the Enhanced Building Electrical Distribution System, then Tenant shall pay the Upsized Electrical Cost Differential (as defined below), which amount shall be paid either by a reduction of Tenant's Work Allowance or by a direct payment to Landlord (at Landlord's election) within ten (10) Business Days of Landlord's request therefor. The additional electrical distribution provided by the Enhanced Building Electrical Distribution System shall be made available to Tenant for distribution within the Premises as Tenant shall elect and as part of Tenant's Work. The term "Electrical Distribution System" means either the Base Building Electrical Distribution System or the Enhanced Building Electrical Distribution System, whichever is actually installed. The term "Upsized Electrical Cost Differential" means seventy-five percent (75%) of the difference between the actual costs of acquiring and installing the Enhanced Building Electrical Distribution System and the amount of the Enhanced Building Electrical Distribution System

bid. Notwithstanding anything contained herein to the contrary, should Tenant request any changes to the Electrical Distribution System, all costs associated with such Tenant changes to the Electrical Distribution System shall be paid solely by Tenant within ten (10) Business Days of Landlord's request therefor.

8.3 Building Generator Waiver. In no event shall Landlord have any liability whatsoever to Tenant in connection with the Building Generator and Tenant hereby waives any claim against Landlord in any way relating to or arising from the Building Generator, and expressly assumes the risk of any loss of property in and about the Premises or the Land, regardless of any action, inaction, failure, breakdown, malfunction and/or insufficiency of the Building Generator or any actual or alleged passive or active negligence of Landlord, including any claim for loss of service or power to the Building Generator.

8.4 Replacement of Building Generator and Electrical Distribution System. If the Building Generator needs to be replaced during the Term and Tenant has selected the Base Building Generator then the allocation of costs for such replacement shall be governed by the provisions of Article 5 of this Lease. If the Building Generator and/or Electrical Distribution System needs to be replaced during the Term and Tenant has selected the Enhanced Building Generator then Tenant shall pay in advance within ten (10) Business Days of Landlord's estimate of the costs associated with the replacement of the Building Generator and/or the Electrical Distribution System which are in excess of the costs that would be incurred to replace the Base Building Generator with the Enhanced Building Generator and/or the Base Building Electrical Distribution System with the Enhanced Building Electrical Distribution System, in each case as reasonably determined by Landlord, and all other costs shall be governed by the provisions of Article 5 of this Lease. If the costs actually incurred by Landlord exceed Landlord's estimate, Tenant shall pay any additional costs within ten (10) Business Days of Landlord's request therefor. If Tenant has selected the Enhanced Building Generator, Tenant may elect to change the replacement of the Enhanced Building Generator to the Base Building Generator in connection with such replacement by providing written notice to Landlord within ten (10) Business Days of Tenant's receipt of Landlord's estimate of the additional costs to replace. If Tenant elects to change the Enhanced Building Generator to the Base Building Generator in connection with such replacement as described in the preceding sentence then Tenant shall be responsible for any additional costs incurred by Landlord in connection with such change, including, without limitation, any changes that may be required to the Electrical Distribution System.

## ARTICLE 9 COMPLIANCE WITH LAWS

### 9.1 Compliance with Laws.

(a) Tenant, at its sole cost and expense, shall timely take all action required to cause the Premises (except for construction in the Premises performed by Landlord as part of Landlord's Work which Landlord shall be responsible for) and Tenant's use of the Premises to comply in all respects with all Laws, including, without limitation, any Laws requiring any form of improvement or alteration to the Premises. If Tenant obtains knowledge of any failure to comply with applicable Law, Tenant shall give Landlord prompt notice thereof.

(b) Landlord shall comply with all Laws relating to the Common Areas, unless any Landlord's failure to comply with Laws relating to the Common Areas is the result of the misconduct, breach, fault or negligence of Tenant or of any Tenant Party. Landlord shall be permitted to include in Operating Costs any costs or expenses incurred by Landlord under this Section 9.1 to the extent consistent with the terms of this Lease.

9.2 ADA Compliance. Landlord shall be solely responsible at its cost and expense for causing Landlord's Work to comply in all respects with the Americans With Disabilities Act ("ADA") in effect as of the Execution Date for use as a public accommodation, except for any change to the Building or Common Areas necessitated by Tenant's Work or reconfiguration of the interior of the Premises after the same is occupied by Tenant.

9.3 Contesting Legal Requirement. Landlord and Tenant shall each have the right upon giving notice to the other to contest any obligations imposed upon either by this Article 9 and to defer compliance during the pendency of such contest, provided the enforcement of the requirement or Laws is stayed during the contest and the contest will not subject the other party to criminal penalty, civil penalty or fine or materially interfere with Tenant's use and occupancy of the Premises. Each party shall cooperate with the other in the contest and shall execute any documents reasonably required in the furtherance of that purpose. A party contesting the application of Laws under this Article 9 shall not be deemed to be in default (a) until and unless it is determined through the relevant legal process that the party must perform the obligation and it fails to do so by the date upon which all applicable appeal periods have expired or (b) provided enforcement is stayed pending appeal, until all appeals have been finally decided against the party and the party fails to comply with the resulting decision.

## ARTICLE 10 ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

10.1 Nonstructural. As used herein: (i) "Alterations" are any alterations, additions or improvements made by or on behalf of Tenant to the Premises but excluding Tenant's Work described in the Work Letter, (ii) "Nonstructural Alterations" are any Alterations to the Premises which are not Structural Alterations, and (iii) "Structural Alterations" are any Alterations to the Premises that Landlord determines in its reasonable discretion affect the roof, exterior, façade, structural elements of the Building or the Base Building Systems. Tenant shall have the right to make Nonstructural Alterations to the Premises, subject to the reasonable approval of Landlord which approval Landlord shall not unreasonably withhold or delay. Notwithstanding the foregoing, if the cost of the Nonstructural Alterations are not expected to exceed in any one instance Fifty Thousand and 00/100 Dollars (\$50,000.00) and do not require any building permit or other governmental approval, then in such case Landlord's approval shall not be required. If the cost of the Nonstructural Alterations are not expected to exceed in any one instance Fifty Thousand and 00/100 Dollars (\$50,000.00) and require a building permit or other governmental approval (a "Minor Permit Required Nonstructural Alteration"), then in such case Landlord's approval shall be required but shall be subject to the following expedited Landlord review and approval process. Tenant shall provide Landlord email notice to Landlord's designated review party of Tenant's intended Minor Permit Required Nonstructural Alteration and Landlord shall be deemed to have approved the Minor Permit

Required Nonstructural Alteration unless Landlord's reviewing party objects to the same within five (5) Business Days of receipt of Tenant's Minor Permit Required Nonstructural Alteration notice. Any such email correspondence must contain "URGENT – SUBJECT TO DEEMED APPROVAL" in the subject line in all capitalized letters. Landlord and Tenant shall from time to time with not less than ten (10) Business Days' prior written notice designate the respective persons to give and receive Minor Permit Required Nonstructural Alteration email notices and responses. The initial persons to receive such emails on behalf of Landlord are set forth in Article 5 of Exhibit L. Tenant shall provide Landlord not less than ten (10) days' written notice before commencing construction or installation of any Alterations. Tenant's request for Landlord's consent to any proposed Alterations shall include a description of the proposed Alterations and shall be accompanied by materials reasonably sufficient to enable Landlord to evaluate the request. Depending on the nature and extent of the proposed Alterations, it is anticipated that such materials could range from internally prepared diagrams, plans and specifications prepared by licensed architects and engineers, a description of proposed construction means and methods, the identity of any contractor or subcontractor to be employed in the construction of the Alterations, the estimated cost of such work and the estimated time for performance thereof. Tenant's notice requesting consent shall describe the Alterations and the anticipated commencement date thereon so that Landlord may file a notice of nonresponsibility and comply with all applicable Laws. Tenant shall reimburse Landlord for all actual out-of-pocket costs incurred by Landlord in connection with any Alterations, including, without limitation, the costs of any third-party architects, engineers or consultants hired by Landlord to review drawings for Alterations. Notwithstanding the foregoing, Tenant may, without the consent of and without notice to Landlord, install, remove, or move cable/data drops, networks, telephones, and door closures, and may install, remove, or move electrical outlets without the consent of or prior notice to Landlord, but shall notify Landlord following any such installation, removal, or move of electrical outlets.

10.2 Structural. If Tenant desires to make any Structural Alterations to the Premises, Tenant shall first obtain Landlord's written consent in Landlord's sole and absolute discretion.

10.3 Contractor. Landlord's reasonable approval shall be required of any contractor performing Alterations for which Landlord's approval is required. Any contractor utilized by Tenant shall be reputable, bondable by reputable bonding companies, and carry the kinds and amounts of insurance required by Section 10.6 below.

10.4 Compliance with Laws. Tenant in making any Alterations shall cause all work to be done in a good and workmanlike manner using materials equal to or better than those used in the construction of the Premises and shall comply with or cause compliance with all Laws and with any direction given by any public officer pursuant to Laws. Tenant shall obtain or cause to be obtained and maintain in effect, as necessary, all building permits, licenses, and other governmental approvals which may be required in connection with the making of the Alterations. Landlord shall cooperate with Tenant in obtaining them and shall execute any documents reasonably required in furtherance of such purpose at Tenant's sole cost and expense. Neither Landlord's selection or approval of a contractor nor its approval of the plans and specifications for Alterations shall create any responsibility or liability on the part of Landlord for the quality or adequacy of the contractor or for the completeness, design

sufficiency, or compliance of such plans and specifications with all Laws. Landlord shall not be liable to Tenant or any other party in connection with Landlord's approval of any plans, or Landlord's consent to Tenant's performing any Alterations. If any Alterations made by or on behalf of Tenant require Landlord to make any alterations or improvements to any part of the Building in order to comply with any applicable Laws, Tenant shall pay any costs incurred by Landlord in connection with such alterations or improvements.

10.5 Removal of Alterations. At any time during the Term, Tenant may, at its option, remove any Alterations. Tenant shall, at its sole cost, repair any damage to the Premises caused by the removal of any Alterations and restore the Premises to its prior condition.

10.6 Construction Insurance. Tenant shall procure or cause its contractor to procure and maintain in effect during the construction of Alterations, the insurance coverages specified in Section 16.8.

## ARTICLE 11 CONDITION, REPAIR, AND MAINTENANCE OF PREMISES

### 11.1 Intentionally Deleted.

11.2 Tenant's Maintenance. Tenant shall keep and maintain the Premises (but specifically excluding the portions which are the responsibility of Landlord pursuant to Section 11.3) and Tenant's furniture and fixtures at the Premises in good order, condition, and repair comparable to other first class office buildings in the Comparable Market Area, ordinary wear and tear and damage by casualty excepted. To the extent that Tenant were to enter into any contract with a service provider responsible for any maintenance obligations of Tenant, Tenant shall thereafter provide Landlord with copies of all contracts, invoices, billing statements, evidence of payment, and other documents reasonably requested by Landlord in connection with such activities. In the case of any repairs or maintenance of any portion of the Premises, the determination of whether such maintenance obligations are being satisfied in a satisfactory manner shall be determined by Landlord in its reasonable discretion. Landlord shall have the right to revoke some or of all of Tenant's obligations under this Section 11.2 upon thirty (30) days' written notice to Tenant if Tenant fails to perform such obligations in a satisfactory manner as determined by Landlord in its reasonable discretion after written notice from Landlord and a reasonable time period to cure. If Landlord so revokes, Landlord shall perform the obligations, and Landlord's reasonable costs to perform the obligations shall be included within Operating Costs.

11.3 Landlord's Maintenance. Except for any maintenance or repair that Tenant is responsible for under Section 11.2, Landlord shall perform all repairs, replacements and maintenance necessary to keep the Building, the Base Building Systems and the Common Areas in good working order and repair with all Base Building Systems functioning properly and to maintain the Building in a clean, safe and tenantable condition comparable to other first class office buildings in Comparable Market Area. Landlord's maintenance and repair shall include structural portions of the Premises and the Building, including, without limitation, the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and façade, columns, beams,

shafts (including elevator), the Parking Garage, and the Base Building Systems up to the point of connection of localized distribution to the Premises and all repairs, replacements and maintenance of Landlord's Work required because of defective design or construction of Landlord's Work. Landlord's duties under this Section 11.3 shall be performed at its sole expense, except to the extent Landlord is entitled to recover such costs under Article 5. Notwithstanding this Section 11.3 to the contrary, the maintenance and repair obligations with respect to the Building Generator shall be governed by Article 8 of this Lease.

11.4 Time to Complete Work. All work to be performed by Landlord under this Article 11 shall be completed within a reasonable period of time. .

## ARTICLE 12 DAMAGE AND DESTRUCTION

12.1 Repair. If (a) all or part of the Premises or Building are damaged or destroyed or (b) Tenant's access to the Building, Premises, the Parking Garage or any other portion of the Common Areas to which Tenant must have access for the continued use and occupancy of the Premises ("Access") is obstructed or hindered, then, subject to the terms hereof, (1) Landlord shall complete at Landlord's sole cost the (i) repair and restoration of the damage and destruction to the Building to the condition set forth in Exhibit E, which restoration shall not extend to any leasehold improvements in the Premises, furniture, equipment, supplies, trade fixtures or other personal property owned or leased by Tenant, its employees, contractors, invitees or licensees and/or (ii) restoration of Access such that Access is fully restored and (2) Tenant shall complete repair and restoration of the damage and destruction to the Premises to the condition set forth in the Work Letter at Tenant's cost and expense, including, without limitation, all Tenant's Work or other leasehold improvements that were completed at Landlord's cost and expense.

12.2 Termination. Landlord in good faith shall estimate the time required to repair the damage and destruction and restore the Building and the Premises in accordance with Section 12.1 (the "Restoration Estimate Notice"). If Landlord's estimate of the time required for repair set forth in the Restoration Estimate Notice exceeds eighteen (18) months, then Landlord and Tenant shall each have the right to terminate this Lease by giving notice to the other within thirty (30) days after delivery of the Restoration Estimate Notice. If either party exercises its termination right under this Article 12, the Lease shall terminate on the date specified in the termination notice. If the cost of performing such repairs and restoration exceeds the actual proceeds of insurance paid to Landlord on account of such casualty (the "Casualty Proceeds Difference"), or if the Mortgagee under a Mortgage shall require that any insurance proceeds from a casualty loss be paid to such Mortgagee, Landlord may terminate this Lease. Notwithstanding the immediately preceding sentence, Tenant shall have the right to fund the Casualty Proceeds Difference (without claim against Landlord for reimbursement of any kind) in which case Landlord shall (i) deliver notice to Tenant of the estimated amount (the "Estimation Notice") of Casualty Proceeds Difference and (ii) not have the right to terminate the Lease so long as Tenant pays to Landlord the amount set forth in the Estimation Notice within thirty (30) days of Landlord's delivery of the Estimation Notice, provided that if Tenant fails to deliver to Landlord the amount set forth in the Estimation Notice then Landlord may terminate the Lease at any time after such thirty (30) day period. Unless

Landlord or Tenant elects to terminate this Lease as hereinabove provided, this Lease will remain in full force and effect and Landlord shall repair such damage to the extent required in this Article 12 as expeditiously as possible under the circumstances, subject to Force Majeure Delay.

12.3 Delay in Completing Repair. If Landlord does not substantially complete repair and restoration of partial damage or does not restore Access within ninety (90) days following the date set forth in the Restoration Estimate Notice, and as a result the repair period exceeds eighteen (18) months measured from the date of the casualty or loss of Access, Tenant shall have the right to terminate this Lease by giving written notice to Landlord within ten (10) days after expiration of the ninety (90) day period.

12.4 Final Year of Term. If the damage or destruction or loss of Access occurs during the last year of the Term (including any exercised Extension Options), and the time required to repair the damage and destruction and to restore Access exceeds ninety (90) days, either party may terminate this Lease by giving notice to the other party within thirty (30) days following such damage or destruction.

12.5 Abatement. The Rent shall abate in proportion to that part of the Premises that is unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof, except to the extent such damage is due to the negligence or willful misconduct of Tenant or the Tenant Parties. The abatement shall consider the nature and extent of interference with Tenant's ability to conduct business in the Premises and the need for Access. The abatement shall continue from the date the damage occurred until (a) Landlord completes the repairs and restoration and (b) Landlord gives notice to Tenant that the repairs and restoration are completed.

## ARTICLE 13 CONDEMNATION

13.1 Taking. "Taking" means a taking by condemnation or by the exercise of the power of eminent domain by a public or quasi-public authority or entity, whether or not there is a taking of title, or a conveyance in lieu thereof. If there is a taking of the entire Building, or the entire Premises, this Lease shall terminate as of the earlier of the date title vests or the date Tenant is dispossessed by the Taking authority.

13.2 Termination for Material Interference. If a Taking of part of the Premises or the Building (a) materially interferes with Tenant's ability to conduct its business in the Premises or (b) permanently and completely denies Tenant's access to the Building or Premises, Tenant shall have the right to terminate this Lease by giving Landlord notice of its election within thirty (30) days of the Taking. The Lease shall terminate on the earlier of the date when title vests, the date Tenant is dispossessed by the Taking authority or sixty (60) days following Tenant's notice of termination; provided that such termination shall in no event extinguish or diminish Tenant's rights to a reward for personal property and moving expenses as described in Section 13.4. If a Taking of any portion of the Land, the Building or the Premises shall, in the opinion of Landlord, interfere with Landlord's operation thereof, Landlord may terminate this Lease upon thirty (30) days' written notice to Tenant given at any

time within thirty (30) days following the date of such Taking with such termination to be effective as of the earlier of (i) the date of transfer of title resulting from such Taking or (ii) the date of transfer of possession resulting from such Taking.

13.3 Abatement. If this Lease is not terminated as a result of a Taking: (a) Rent shall abate, from the earlier of the date title vests in the Taking authority or the date Tenant is dispossessed by the Taking authority, in proportion to the part of the Premises subject to the Taking and Tenant's pro rata share shall be proportionally reduced and (b) Landlord, at its sole expense, shall commence the work of repairing and restoring the Building to a complete architectural unit and the work of restoring the remainder of the Premises as nearly as possible to its condition existing immediately prior to the Taking and to restore Tenant's access to the Building and Premises or provide comparable access thereto within a reasonable time.

13.4 Taking Award. All compensation awarded or paid upon a total or partial Taking of the Premises or the Building shall belong to and be the property of Landlord without any participation by Tenant. Nothing herein shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority for moving expenses, loss of business, for damage to, and cost of removal of, trade fixtures, furniture and other personal property belonging to Tenant, and for the unamortized cost of leasehold improvements to the extent same were installed at Tenant's expense (and not with the proceeds of the Tenant's Work Allowance); provided, however, that no such claim shall diminish or adversely affect Landlord's award. In no event shall Tenant have or assert a claim for the value of any unexpired term of this Lease. Subject to the foregoing provisions of this Article 13, Tenant hereby assigns to Landlord any and all of its right, title and interest in or to any compensation awarded or paid for the fee as a result of any such taking.

13.5 Savings Clause. Landlord and Tenant may exercise any rights of termination even though their respective right, title, or interest may have been taken or divested.

#### ARTICLE 14 SUBORDINATION, RECOGNITION, ATTORNMENT, AND NON-DISTURBANCE

14.1 Subordination. This Lease is not subordinate to the lien of any first deed of trust or mortgage of the fee interest of the Land, Building and Premises to provide construction or permanent financing and any renewals, modifications or extensions thereof ("Mortgage"), unless a Subordination, Attornment and Non-Disturbance Agreement ("SAND Agreement") is executed, acknowledged and delivered to Tenant by the holder of the Mortgage ("Mortgagee"). The SAND Agreement must be in form suitable for recording, must contain substantially the provisions set forth in Sections 14.1, 14.2, 14.3 and 14.7 and otherwise must be commercially reasonable:

(a) So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods, Mortgagee shall not name or join Tenant as a defendant in any judicial action or proceeding that is commenced pursuant to the exercise of Mortgagee's rights and remedies arising upon a default by Landlord under the

Mortgage, unless (a) applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or in order to prosecute or otherwise fully enforce such rights and remedies, (b) such joinder of Tenant is required for the recovery by Mortgagee of any rent at any time owing by Tenant under the Lease, whether pursuant to the assignment of rents set forth in the Mortgage or otherwise or (c) such joinder is required in order to enforce any right of Mortgagee to enter for the purpose of making any inspection or assessment, or in order to protect the value of Mortgagee's security provided by the Mortgage;

(b) So long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable cure periods, the possession by Tenant of the Premises and Tenant's rights in the Premises shall not be disturbed, affected or impaired by, nor will the Lease or the Term be terminated or otherwise affected by:

(i) Any suit, action or proceeding upon the Mortgage or the obligation secured thereby, or for the foreclosure of the Mortgage or the enforcement of any rights under the Mortgage or any other documents held by the Mortgagee, or by any judicial sale or execution or other sale of the Premises, or by any deed given in lieu of foreclosure, or by the exercise of any other rights given to the Mortgagee by any other documents or as a matter of law, or

(ii) Any default under the Mortgage or the obligation secured;

(c) All condemnation awards and insurance proceeds paid or payable with respect to the Premises and received by the Mortgagee shall be applied to the repair and restoration of the Premises or disbursed to Tenant as and to the extent provided in this Lease;

(d) Mortgagee acknowledges and agrees that all fixtures, equipment and personal property owned by Tenant located or installed in or on the Premises, regardless of the manner of attachment, shall be and remain the property of Tenant and may be removed by Tenant at any time. In no event (including a default under the Lease or Mortgage) shall Mortgagee have any liens, rights or claims in Tenant's property, and Mortgagee expressly waives all rights of levy, distraint, or execution with respect to that property in accordance with the terms of the Lease;

(e) Any agreement between Mortgagee and Tenant shall bind and inure to the benefit of and be enforceable by the parties thereto and their respective heirs, personal representatives, successors and assigns and, for avoidance of doubt, any foreclosure purchaser;

(f) With respect to the Construction Loan SAND (as defined below) only, if the Mortgagee thereunder succeeds to the interest of Landlord under this Lease, then Tenant shall have the right to terminate this Lease by delivering written notice to such Mortgagee if Tenant Delivery Status (as defined in Exhibit E) is not achieved by December 31, 2022, subject to extension by virtue of Force Majeure Delay and/or Tenant Delay, upon written notice given not later than ten (10) Business Days thereafter. Any such termination shall be subject to a final determination pursuant to the arbitration set forth in Exhibit E that Mortgagee has failed to achieve Tenant Delivery Status if Tenant has delivered a Milestone Achievement Dispute Notice (as defined in Exhibit E) with respect thereto. Upon any such termination of this Lease due to the failure of Tenant Delivery Status to timely occur, the parties shall be relieved from any and

all liability to each other resulting hereunder and Tenant's remedies under Exhibit E shall be Tenant's sole and exclusive remedies for the failure of the Tenant Delivery Milestone to timely occur. Should the Tenant Delivery Milestone be satisfied prior to Tenant's exercise of the foregoing termination right, however, such termination right shall, in such event, expire and be of no further force or effect upon completion of the Tenant Delivery Milestone.

(g) Tenant agrees with Mortgagee that if Mortgagee succeeds to the interest of Landlord under the Lease, Mortgagee shall not be:

(i) Liable for any act or omission of any prior landlord under the Lease, except for defaults of the prior landlord that are continuing on the date Mortgagee succeeds to such interest, and for which Mortgagee was furnished notice and opportunity to cure the same in accordance with the provisions of the Lease prior to taking possession of the Premises;

(ii) Subject to any offsets or defenses which Tenant might have against any prior landlord, except offsets permitted by Article 34 and/or Section 20.5;

(iii) Bound by any construction related obligations of any prior Landlord under the Lease (subject to Section 14.7 hereof and provided that "construction related obligations" shall in no event mean or include Landlord's obligations under Section 11.3);

(iv) Bound by any Rent for more than one (1) month in advance to any prior landlord; or

(v) Liable for any security deposit that Tenant may have paid to any prior landlord, unless such deposit was actually received by Mortgagee in connection with this Lease.

14.2 Mortgagee Provisions. Subject to the terms of the SAND Agreement, Tenant waives the provisions of any Law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any foreclosure proceeding or sale. Tenant agrees to give each Mortgagee a copy of any notice of default served upon Landlord by Tenant by the same means of notice required under Article 21, provided that prior to such notice Tenant has been notified in writing of the address of such Mortgagee (hereafter, a "Notified Party"). Tenant further agrees that if Landlord shall have failed to cure such default within the applicable time period set forth in this Lease, then prior to Tenant pursuing any remedy for such default provided hereunder, at law or in equity, the Notified Party shall have an additional thirty (30) days within which to cure or correct such default (or if such default cannot reasonably be cured or corrected within that time, then such additional time as may be necessary (including to appoint a receiver and to commence and complete foreclosure proceedings) if the Notified Party has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default).

14.3 Attornment. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any Mortgage, or in the event the interests of Landlord under this Lease shall be transferred by reason of deed in lieu of

foreclosure or other legal proceedings, or in the event of termination of any lease under which Landlord may hold title, Tenant shall attorn to the transferee or purchaser at foreclosure or under power of sale, or the lessor of Landlord upon such lease termination, as the case may be (sometimes hereinafter called “such person”), without any deductions or off set whatsoever (other than as permitted or otherwise provided for in the SAND Agreement), and shall recognize and be bound and obligated hereunder to such person as the Landlord under this Lease. Tenant agrees to execute any attornment agreement not in conflict herewith requested by Landlord, the Mortgagee or such person. Tenant’s obligation to attorn to such person shall survive the exercise of any such power of sale, foreclosure or other proceeding. Tenant agrees that the institution of any suit, action or other proceeding by any Mortgagee to realize on Landlord’s interest in the Premises or the Building pursuant to the powers granted to a Mortgagee under its Mortgage, shall not, by operation of law or otherwise, result in the cancellation or termination of the obligations of Tenant hereunder.

14.4 Holder’s Election. If a Mortgagee requires that this Lease have priority over its Mortgage, Tenant shall, upon request of the Mortgagee, execute, acknowledge and deliver to the Mortgagee an agreement acknowledging such priority.

14.5 Timing and Execution by Tenant. Tenant shall execute and deliver to Landlord any SAND Agreement which meets the requirements of this Article 14 within ten (10) Business Days of receipt.

14.6 Landlord’s Termination Right. If Landlord delivers to Tenant any SAND Agreement with respect to Landlord’s construction loan (the “Construction Loan SAND”), for the performance of Landlord’s Work (the “Construction Loan”), whether or not in accordance with the requirements of Sections 14.1, 14.2, 14.3 and 14.7 hereof, and Landlord, Tenant and Mortgagee do not fully execute a SAND Agreement, whether or not in accordance with the requirements of Sections 14.1, 14.2, 14.3 and 14.7 hereof, with respect to the Construction Loan within thirty (30) days from the date of initial delivery of Mortgagee’s SAND Agreement to Tenant (the “SAND Execution Period”), then Landlord shall have the right to terminate this Lease, without payment or penalty of any kind, by delivering written notice to Tenant of such termination not more than thirty (30) days following the expiration of the SAND Execution Period.

14.7 Certain Construction Loan SAND Provisions. Tenant shall have no obligation to execute a Construction Loan SAND unless such Construction Loan SAND provides that with respect to the performance of Landlord’s Work, Tenant shall retain the remedies set forth in Section 4 of Exhibit E resulting from the failure to achieve any Milestone and Tenant shall expressly retain the right to receive the Tenant’s Work Allowance in accordance with the terms of the Lease.

## ARTICLE 15 LANDLORD’S WARRANTIES

To induce Tenant to execute this Lease, and in addition to any other express representations and warranties of Landlord contained in this Lease, Landlord warrants and represents to Tenant as of the Execution Date that:

(a) To Landlord's Knowledge (as defined below), based solely on Landlord's existing owner's policy of title insurance, Landlord has good and marketable title to the Land, free and clear of liens or easements upon the Land, except those shown by the public records as of the date of this Lease or imposed by applicable Laws;

(b) To Landlord's Knowledge, the items shown as exceptions to Landlord's existing owner's policy of title insurance do not prohibit, restrict, conflict with or adversely affect (i) Landlord's obligation to perform Landlord's Work or complete construction of the Building or (ii) Tenant's Permitted Use and occupancy of the Premises;

(c) To Landlord's Knowledge, based solely on Landlord's existing ALTA survey of the Land, access to the Building will be by public roadways;

(d) To Landlord's Knowledge, Landlord will be able to obtain a "will-serve" letter with respect to all utilities necessary to serve the Building; and

(e) Landlord has full right and lawful authority to enter into and perform each and every one of Landlord's obligations under this Lease.

As used herein, "Landlord's Knowledge" means the current, actual knowledge of Matthew Friedman, without any specific duty of investigation or inquiry or any personal liability whatsoever with respect to such individual. Landlord represents and warrants to Tenant that Matthew Friedman is knowledgeable about the matters set forth in this Article 15.

## ARTICLE 16 INSURANCE; WAIVER OF CLAIM

16.1 Tenant's Liability Insurance. Tenant shall maintain in force during the Term an "Excess General Liability Policy" with excess limits of not less than Ten Million and 00/100 Dollars (\$10,000,000.00) for each occurrence and Twenty Million and 00/100 Dollars (\$20,000,000.00) general aggregate covering bodily injury to persons, including death, and damage to property. Such excess general liability insurance may be subject to self-insured retention of \$500,000.00, which amount may be revised from time to time consistent with industry standards for self-insured retention of utility companies similar to Tenant. Such insurance shall be with insurer(s) rated A VIII or better so long as Tenant is Northwest Natural Gas Company; otherwise such insurance shall be with responsible insurers acceptable to Landlord (whose acceptance shall not be unreasonably withheld or delayed). Such insurance shall provide coverage for Tenant's premises and operations, independent contractors, and contractual liability assumed in Article 17. Tenant shall cause its "Excess General Liability" insurer to name Landlord, its officers, directors, partners, employees, agents and lender as an additional insured under such insurance to the extent of Tenant's insurable contractual liability assumed in Section 17.1. The "Excess General Liability Policy" shall contain a severability of interests provision, a provision that the insurance provided to Landlord as additional insured shall be primary to and not contributory with insurance maintained by Landlord, and a provision that an act or omission of one of the insureds or additional insureds that would void or otherwise reduce coverage shall not reduce or void the coverage as to the other named and additional insureds. A certificate of insurance evidencing that the foregoing insurance is in effect shall be

delivered to Landlord prior to Tenant's occupancy of the Building, and shall be kept current throughout the Term. Such certificate shall: (i) reflect the status of Landlord and Mortgagee as additional insured, and (ii) reflect, if reasonably obtainable by endorsement, the provision of thirty (30) days' advance notice to Landlord and Mortgagee in the event of cancellation except for non-payment of premium in which case ten (10) days' notice shall be given.

16.2 Tenant's Property Insurance. Tenant shall maintain in force during the Term "Excess Property Insurance" insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage ("All Risk") and sprinkler leakage or "Special Causes of Loss" form, including "Extra Expense" coverage equal to an amount sufficient to cover Tenant's extra expenses in the event of a covered loss. This "Excess Property Insurance Policy" shall be upon (i) all personal property and trade fixtures owned by Tenant and (ii) Tenant's Work. Such "Excess Property Insurance" may be subject to self-insured retention of \$250,000.00, which amount may be revised from time to time consistent with industry standards for self-insured retention of utility companies similar to Tenant. At Tenant's option, Tenant may undertake to maintain deductibles under the property insurance policy and may elect to self-insure some or all of such property to be insured. Any undertaking by Tenant to assume deductibles or self-insure property located at the Building shall not serve to adversely affect Landlord, and Landlord shall be protected against loss or damage to the property to be insured by Tenant pursuant to this Section 16.2 in the same manner as if Tenant had obtained separate insurance on such property as provided herein. For the avoidance of doubt, the waiver of subrogation described in Section 16.7 applies with respect to all losses covered by the "Property Insurance" required in this Section 16.2 as well as to deductibles or self-insurance elected by Tenant.

16.3 Tenant's Automobile Insurance. Tenant shall maintain in force during the Term "Automobile Liability Insurance" for owned, hired and non-owned automobiles with a limit of liability of \$1,000,000 or Tenant may provide evidence of qualification for "Self-Insurance" in the State of Oregon reasonably acceptable to Landlord.

16.4 Tenant's Workers' Compensation Insurance. Tenant shall maintain in force during the Term "Workers' Compensation Insurance" as required in the State of Oregon which may include self-insured retention of \$500,000.00, which amount may be revised from time to time consistent with industry standards for self-insured retention of utility companies similar to Tenant, or Tenant may provide evidence of qualification for "Self-Insurance" in the State of Oregon reasonably acceptable to Landlord.

16.5 Landlord's Liability Insurance. Landlord, at Landlord's expense, shall purchase and keep in force during the Term a "Commercial General Liability Policy" with limits of not less than Ten Million and 00/100 Dollars (\$10,000,000.00) each occurrence and Ten Million and 00/100 Dollars (\$10,000,000.00) general aggregate covering bodily injury to persons, including death, and damage to property. Such insurance shall be with responsible insurers with a financial rating comparable to or better than that of Tenant's liability insurer, and shall provide coverage for Landlord's premises and operations, independent contractors, and contractual liability assumed in Article 17. Landlord shall cause its "Commercial General Liability" insurer to name Tenant as an additional insured under such insurance to the extent of Landlord's insurable contractual liability assumed in Article 17. The

insurance policy shall contain a severability of interests provision, a provision that the insurance provided to Tenant as additional insured shall be primary to and not contributory with insurance maintained by Tenant, and a provision that an act or omission of one of the insureds or additional insureds that would void or otherwise reduce coverage shall not reduce or void the coverage as to the other named and additional insureds. A certificate of insurance evidencing that the foregoing insurance is in effect shall be delivered to Tenant prior to Tenant's occupancy of the Building, and shall be kept current throughout the Term. Such certificate shall: (i) reflect the status of Tenant as additional insured, and (ii) reflect, if reasonably obtainable by endorsement, the provision of thirty (30) days' advance notice to Tenant in the event of cancellation except for non-payment of premium in which case ten (10) days' notice shall be given.

16.6 Landlord's Property Insurance. At all times during the Term of this Lease, Landlord shall maintain a standard form property insurance policy with responsible insurers covering the Building and the Premises (but excluding Tenant's Work) against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage ("All Risk") and sprinkler leakage or "Special Causes of Loss" form with an "Ordinance or Law Endorsement" to cover the cost of Laws mandating changes to the Building and Premises in connection with restoration after a casualty. Such insurance shall provide coverage for the full replacement value of the Building (including the Premises but excluding Tenant's Work). Proceeds of such insurance shall be used by Landlord to repair or replace the damaged portion of the Building and/or Premises as set forth in Section 12.1 above. Landlord shall use commercially reasonable efforts to collect any sums that are due to Landlord from its insurer.

16.7 Waiver of Recovery and Subrogation. Landlord and Tenant release and relieve the other from any liability it might otherwise have under any provision of this Lease and waive their entire right of recovery for loss or damage to property located within or constituting a part or all of the Building to the extent that the loss or damage either (a) is actually covered and paid by the injured party's property insurance, or (b) if the injured party fails to carry property insurance required under this Article 16, would have been covered by the property insurance the injured party is required to carry under this Article 16, whichever is greater. This waiver applies regardless of the cause or origin of the claim including without limitation loss due to the negligent acts or omissions of Landlord Parties or Tenant Parties, or their respective officers, directors, employees, agents, contractors, invitees, Tenant's assignees or Tenant's subtenants. Each of Landlord and Tenant shall have their respective property insurers endorse the applicable insurance policies to reflect the foregoing waiver of claims, provided however, that the endorsement shall not be required if the applicable policy of insurance permits the named insured to waive rights of subrogation on a blanket basis, in which case the blanket waiver shall be acceptable. For purposes of this Section 16.7, the term "Tenant" shall include any assignee or subtenant of Tenant.

#### 16.8 Construction Insurance.

During the performance of Landlord's Work and Tenant's Work respectively, and at all times otherwise indicated by this Section 16.8, Landlord shall require its general contractor for Landlord's Work, and Tenant shall require its general contractor for Tenant's Work, to procure and maintain in effect the following insurance coverages with an insurance company or

companies rated A- or better and a financial size category of X or better, in the most recent edition of “Best’s Insurance Guide” (or such lesser rating as may be approved by Landlord and Tenant in writing) and authorized to do business in the State of Oregon:

(a) “Limits of Liability” required can be complied with by evidencing “Umbrella Liability Insurance” that follows the same terms and conditions required by the “Commercial General Liability” and “Automobile Liability policies”;

(b) “Worker’s Compensation – Statutory Limits” for the State in which the work is to be performed. Such policy shall contain a waiver of subrogation endorsement in favor of Landlord, Tenant, each of their respective officers, directors, partners, employees and agents, and Mortgagee;

(c) “Employer’s Liability Insurance” with a limit of not less than \$1,000,000 “Each Accident”, \$1,000,000 “Disease, Policy Limit”, \$1,000,000 “Disease, Each Employee”;

(d) “Commercial General Liability” and excess liability – at least Ten Million and 00/100 Dollars (\$10,000,000.00) each occurrence and Ten Million and 00/100 Dollars (\$10,000,000.00) general aggregate, including “Personal Injury”, “Contractual” and “Products/Completed Operations Liability” naming the following as additional insureds for on-going and completed operations: Landlord, Tenant, each of their respective officers, directors, partners, employees and agents, and Mortgagee. Coverage must be primary and non-contributing and include the following:

- (i) Premises – Operations,
- (ii) Elevators and Hoists,
- (iii) Independent Contractor,
- (iv) Contractual Liability assumed under the construction contract,
- (v) Products/Completed Operations – for a period not less than the applicable statute of repose, and
- (vi) Explosion, Underground and Collapse (XUC) Coverage;

(e) Automobile Liability – Including Owned, Hired and Non-owned licensed vehicles used in connection with performance of the construction work of at least: One Million and 00/100 Dollars (\$1,000,000.00) each occurrence. Such policy shall name Landlord, Tenant, each of their respective officers, directors, partners, employees, agents, and Mortgagee as additional insureds. Coverage must include the following:

- (i) Owned vehicles,
- (ii) Leased vehicles,
- (iii) Hired vehicles, and

(iv) Non-owned vehicles;

(f) Special Coverages – Tenant or its general contractor and Landlord or its general contractor shall carry “Builder’s All Risk” insurance;

(g) Landlord’s and Tenant’s general contractors and their subcontractors and suppliers shall be responsible for insuring their respective owned, hired and non-owned equipment and personal property;

(h) Prior to commencement of construction work, Tenant and Landlord shall furnish the other party with certificates of insurance and pertinent endorsements evidencing the coverage required under this Section 16.8, or upon requesting party’s written request a copy of the insurance policies;

(i) During construction of Tenant’s Work, Landlord shall give prompt notice to Tenant of all losses, damages, or injuries to any person or to property of Tenant, Landlord or third parties. Landlord shall promptly report to Tenant all such claims of which Landlord has notice, whether related to matters insured or uninsured. No settlement or payment for any claim for loss, injury or damage or other matter as to which Tenant may have an obligation for any payment or reimbursement, shall be made by Landlord without the written approval of Tenant; and

(j) The carrying of any of the insurance required hereunder shall not be interpreted as relieving the insuring party of any responsibility to the other party, and the other party does not waive any rights that it may have against the insuring party and/or its representatives for any expense and damage to persons and property (tangible and intangible) from any cause whatsoever with respect to the insuring party’s work.

## ARTICLE 17 INDEMNIFICATION

17.1 Tenant. Tenant shall indemnify, defend, reimburse, and hold harmless Landlord and the Landlord Parties from any and all losses, costs, damages, claims, suits, actions, or liabilities, including, without limitation, court costs and reasonable attorneys’ and expert witnesses’ fees (collectively, “Losses”) to the extent: (a) from and after the Commencement Date, incurred in connection with or arising from any cause in or on the Rooftop Terrace and the Premises (including, without limitation, Tenant’s installation, placement and removal of Tenant’s Work, Alterations, fixtures and/or equipment in, on or about the Rooftop Terrace and the Premises), (b) caused by the negligence or willful misconduct of Tenant or any of its employees, agents, contractors, consultants (including architects) or invitees (collectively, the “Tenant Parties”) in, on or about the Premises, Building or Land, (c) from any cause whatsoever with respect to the provision of Building security services, (d) prior to the Commencement Date, incurred in connection with or arising from any activity or work in the Building by Tenant Parties, or (e) caused by Tenant’s failure to comply with applicable Laws.

This indemnity does not apply: (x) to Losses to the extent they are caused by the gross negligence or willful misconduct of Landlord and its agents, employees, contractors or invitees as to items (a), (b), (c) and (e) in the paragraph above and to the extent caused by the negligence

or willful misconduct of Landlord and its agents, employees, contractors or invitees as to item (d) in the paragraph above, or (y) to liabilities waived under Section 16.7. The foregoing indemnity is conditioned upon Landlord providing prompt notice to Tenant upon Landlord obtaining knowledge of any claim or occurrence that is likely to give rise to a claim, suit, action or liability falling within the scope of the foregoing indemnity, along with sufficient details that will enable Tenant to make a reasonable investigation of the claim.

17.2 Landlord. Landlord shall indemnify, defend, reimburse, and hold harmless Tenant and the Tenant Parties from any and all Losses: (a) from and after the Commencement Date, to the extent incurred in connection with or arising from the negligence or willful misconduct of Landlord or any of its employees, Landlord Entities (as defined below), agents, contractors, consultants (including architects) or invitees (collectively, the “Landlord Parties”) in, on or about the Common Areas, (b) prior to the Commencement Date, to the extent incurred in connection with or arising from any gross negligence or willful misconduct of the Landlord Parties, or (c) as a result of Landlord’s failure to comply with applicable Laws.

This indemnity does not apply: (x) to Losses to the extent they are caused by the negligent acts or omissions or willful misconduct of Tenant or any of the Tenant Parties or (y) to liabilities waived under Section 16.7 or (z) to the provision or lack of provision of Building security services should Tenant exercise its right under Section 6.5 to provide Building security services. The foregoing indemnity is conditioned upon Tenant providing prompt notice to Landlord upon Tenant obtaining knowledge of any claim or occurrence that is likely to give rise to a claim, suit, action or liability falling within the scope of the foregoing indemnity, along with sufficient details that will enable Landlord to make a reasonable investigation of the claim.

17.3 Indemnitor and Indemnitee Obligations. If any claim, action or proceeding is made or brought against any party to be indemnified under this Lease (the “Indemnitee”), for which the other party must indemnify (the “Indemnitor”) such Indemnitee, then upon demand by such Indemnitee, the Indemnitor, at its sole cost and expense, shall resist or defend such claim, action or proceeding in the Indemnitee’s name (if necessary), by attorneys approved by the Indemnitee, which approval shall not be unreasonably withheld. If the Indemnitor fails to diligently defend or if there is a legal conflict or other conflict of interest, then Indemnitee may retain separate counsel at the Indemnitor’s expense. Notwithstanding anything herein contained to the contrary, the Indemnitor may direct the Indemnitee to settle any claim, suit or other proceeding provided that (a) such settlement shall involve no obligation on the part of the Indemnitee other than the payment of money, (b) any payments to be made pursuant to such settlement shall be paid in full exclusively by the Indemnitor at the time such settlement is reached, (c) such settlement shall not require the Indemnitee to admit any liability and (d) the Indemnitee shall have received an unconditional release from the other parties to such claim, suit or other proceeding.

17.4 Exemption of Landlord from Liability. Except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord Parties, Landlord and the Landlord Parties shall not be liable for, and Tenant waives any claims against Landlord and the Landlord Parties, for any injury or damage (i) to persons employed or otherwise engaged by Tenant or (ii) the property of Tenant on or about the Land, whether such injury or damage is caused by or results from the following or any other cause: (a) fire, steam,

electricity, water, gas or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, the Building Generator, the Electrical Distribution System or lighting fixtures or any other cause or (c) any act or omission of any other party.

ARTICLE 18  
ASSIGNMENT AND SUBLETTING

18.1 Assignment and Subleasing Without Consent. Without Landlord's consent:

(a) This Lease may be assigned (whether by operation of law or otherwise) or all or any part of the Premises may be sublet at any time to:

(i) the entity with which or into which Tenant may merge and Northwest Natural Gas Company is not the survivor of such merger (the surviving entity referred to herein as the "Non NW Natural Surviving Entity");

(ii) an Affiliate (a "Transferee Affiliate"), provided that both Tenant and the Affiliate (including any entity listed on Exhibit D) shall provide a certification to Landlord (x) that such Affiliate directly or indirectly controls, is controlled by or is under common control with Northwest Natural Gas Company upon the effective date of the assignment or sublease, (y) confirming that the corporate credit rating of Tenant or such Affiliate upon the effective date of the assignment or sublease exceeds the rating required with respect to delivery of a Letter of Credit as described below and (z) confirming that the Tangible Net Worth of such Affiliate upon the effective date of the assignment or sublease satisfies the requirements of subsection (B) below; or

(iii) the purchaser of substantially all of the assets of Tenant ("Asset Purchaser");

provided that, in (i) through (iii) above, (A) any such Permitted Transferee was not formed as a subterfuge to avoid the obligations of this Section 18.1, (B) such Permitted Transferee, or in the case of a sublease to a Transferee Affiliate, Tenant, shall have, as of the effective date of any such assignment, sublease, merger or other transfer, a Tangible Net Worth which is equal to or greater than the Tangible Net Worth of Northwest Natural Gas Company as of the Execution Date, (C) any such assignment or sublease shall be subject and subordinate to all of the terms and provisions of this Lease, and such Permitted Transferee shall assume to the extent there is an actual assignment of the Lease (and for avoidance of doubt, not in the case where the Lease may be deemed to be assigned pursuant to operation of law), in a written document reasonably satisfactory to Landlord and delivered to Landlord no later than ten (10) Business Days after the effective date of such assignment, all the obligations of Tenant under this Lease and (D) except in the case of a merger where Tenant is not the surviving entity, Tenant shall remain fully liable for all obligations to be performed by the "Tenant" under this Lease. In addition to the foregoing requirements in (A) – (D), if the Permitted Transferee, or in the case of a sublease to a Transferee Affiliate, Tenant, does not have on the effective date of the assignment, merger or other transfer a corporate credit rating which is equal to or greater than A- according to Standard & Poor's or

an equivalent rating from another recognized rating agency, then, as a condition to the effectiveness of the transfer of the Lease, Tenant shall be required to deliver to Landlord no later than ten (10) Business Days from the effective date of the assignment, merger or other transfer the Letter of Credit, to be held by Landlord pursuant to the terms of Article 39.

For the avoidance of doubt, no assignment of the Lease shall be deemed to have occurred if Northwest Natural Gas Company is the surviving entity of any merger transaction. Notwithstanding the above, Tenant shall have the absolute right to sublease not more than one thousand five hundred (1,500) square feet to NW Natural Gas Storage, LLC without Landlord's consent and without satisfying the above conditions related to a sublease of the Premises to an Affiliate.

(b) Tenant shall have the right, without Landlord's prior consent but subject to written notice, to sublease up to but not exceeding two (2) full floors of the Building located in the Premises (a "Permitted Sublease") to subtenants, provided that a single subtenant may not occupy and/or sublease more than one (1) floor of the Building at any given time (each, a "Permitted Sublessee"), and provided further that at the time the sublease is entered into (i) Tenant has not subleased more than two (2) full floors of the Premises (including pursuant to a Permitted Sublease) and (ii) the Permitted Sublessee (a) is not a party who would (or whose use would) detract from the character of the Building as a Class "A" office building, such as, without limitation, a dental, medical, social services, medicare, healthcare services or chiropractic office or "public facing" governmental agency (that is an agency that directly interfaces with persons that such agency serves on the Premises), (b) is not a Person who enjoys diplomatic or sovereign immunity or (c) and/or Permitted Sublease would not result in a violation of any term or provision of this Lease or otherwise cause a violation of any Law.

(c) Tenant shall provide Landlord written notice of any assignment or sublease under this Section 18.1 not less than ten (10) Business Days after the completion of such assignment or sublease.

18.2 Assignment With Consent. Except as provided in Section 18.1, Tenant may not directly or indirectly, voluntarily or by operation of law (i) assign this Lease or any interest herein or in the Premises, or mortgage, pledge, encumber, hypothecate or otherwise transfer or sublet the Premises or any part thereof or (ii) permit the use of the Premises by any party other than Tenant, including another tenant of the Building (all of the foregoing are hereinafter sometimes referred to collectively as "Transfer", and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee") without obtaining Landlord's prior written consent to the proposed Transfer in writing, which consent shall not be unreasonably withheld, conditioned or delayed. If Tenant desires to Transfer all or any portion of the Premises, Tenant shall give notice (the "Transfer Notice") thereof to Landlord, which shall be accompanied by: (1) the proposed effective date of the Transfer, which shall not be less than forty-five (45) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (2) a description of the portion of the Premises to be transferred (the "Subject Space"), (3) all of the terms of the proposed Transfer and the consideration therefor, including, without limitation, a calculation of the Transfer Premium (as such term is defined below), the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer,

including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, (4) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and (5) any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Landlord will respond to the Transfer Notice within ten (10) Business Days following delivery by Tenant of all of the items described in clauses (1) through (5) above, other than executed copies of the sublease or assignment agreement, as applicable (but including the substantially final form of the sublease or assignment agreement, as applicable). If Landlord fails to timely deliver to Tenant notice of Landlord's consent, or the withholding of consent, to a proposed Transfer, Tenant may send a second (2nd) notice to Landlord, which notice must contain the following inscription, in bold faced lettering: "**SECOND NOTICE DELIVERED PURSUANT TO ARTICLE 18 OF LEASE - FAILURE TO TIMELY RESPOND WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN DEEMED APPROVAL OF TRANSFER.**" If Landlord fails to deliver notice of Landlord's consent, or the withholding of Landlord's consent, to the Transfer within such five (5) Business Day period, Landlord shall be deemed to have approved the Transfer in question. Landlord's consent or refusal of consent shall be in writing and, if Landlord refuses consent, the reasons for refusal shall be stated with particularity. No Transfer shall be effective until there has been delivered to Landlord (y) a fully executed counterpart of the assignment or sublease, the form of which has been approved by Landlord and (z) a fully executed counterpart of Landlord's commercially reasonable standard Transfer consent documents. Notwithstanding the foregoing, without otherwise limiting the criteria upon which Landlord may withhold its consent to any proposed Transfer, it shall be reasonable for Landlord to withhold its consent to a Transfer if (a) the proposed Transferee is a party who would (or whose use would) detract from the character of the Building as a Class "A" office building, such as, without limitation, a dental, medical, social services, medicare, healthcare services or chiropractic office or a federal governmental office, (b) the proposed Transfer is to a federal governmental subdivision or agency or any Person who enjoys diplomatic or sovereign immunity, (c) the creditworthiness of the proposed Transferee is not reasonably acceptable to Landlord or (d) the Transfer would result in a violation of any term or provision of this Lease or otherwise cause a violation of any Law.

18.3 Effect of Transfer. If the assignment or sublease permits Tenant to recover possession of the Premises from the transferee and again take possession of the Premises as Tenant, Landlord agrees to again recognize Tenant as the "Tenant" under this Lease. Tenant's rights to assign its leasehold interest and to sublet the Premises shall be continuing rights. Accordingly, persons to whom Tenant's leasehold interest is assigned shall have the right to further assign the leasehold interest, and persons to whom the demised premises are sublet shall have the right to sub-sublet to others, subject to the provisions of this Lease.

18.4 No Release upon Assignment. Notwithstanding any assignment or subletting or any acceptance of Rent by Landlord from any Transferee, Tenant shall remain fully liable for the payment of all Rent due and for the performance of all the covenants, terms and conditions contained in this Lease on Tenant's part to be observed and performed, and any default caused by any Transferee or anyone claiming under or through any Transferee shall be deemed to be a default under this Lease by Tenant. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any and all Losses resulting from

any claims that may be made against Landlord by the Transferee or anyone claiming under or through any Transferee or by any brokers or other persons or entities claiming a commission or similar compensation in connection with the proposed assignment or sublease, irrespective of whether Landlord shall give or decline to give its consent to any proposed Transfer, or if Landlord shall exercise any of its options under this Article 18.

18.5 No Default Exists. Tenant shall not Transfer this Lease or request Landlord's consent to Transfer this Lease so long as Landlord has delivered a notice of default to Tenant and such default remains uncured. If Landlord has delivered such a notice to Tenant under this Lease prior to the effective date of such Transfer, then Landlord's consent thereto, if previously granted, shall at Landlord's election be immediately deemed revoked without further notice to Tenant, and if such Transfer would have been permitted without Landlord's consent, such permission shall be void and without force and effect until such breach or default is cured, and in either such case, any such Transfer in violation of this Section 18.5 shall constitute a Tenant Default hereunder.

18.6 Profit Sharing with Landlord. If Tenant enters into any Transfer, Tenant shall pay to Landlord: (a) in the case of a Transfer that is not a sublease, on the effective date of the Transfer, fifty percent (50%) of all sums and other consideration paid to Tenant by the Transferee for or by reason of such Transfer (including key money, bonus money and any sums paid for services rendered by Tenant to the Transferee in excess of fair market value for such services and sums paid for the sale or rental of Tenant's property, less the then fair market or rental value thereof, as reasonably determined by Landlord) after first deducting the Transaction Costs (as defined below) or (b) in the case of a sublease (including a Permitted Sublease), fifty percent (50%) of any consideration payable under the sublease to Tenant by the Transferee which exceeds on a per square foot basis the Base Rent, Operating Costs and/or other sums due and payable under this Lease accruing during the term of the sublease in respect of the sublet space (together with any sums paid for services rendered by Tenant to the Transferee in excess of fair market value for such services and sums paid for the sale or rental of Tenant's property, less the then fair market or rental value thereof, as reasonably determined by Landlord) after first deducting the monthly amount of Transaction Costs amortized on a straight line basis over the sublease term. The sums payable under this clause shall be paid by Tenant to Landlord monthly as and when due from the subtenant to Tenant. Tenant shall, within sixty (60) days of Landlord's consent to such Transfer, deliver to Landlord a list of Tenant's reasonable and actual third-party brokerage fees, legal fees, amount of free rent, tenant improvement costs and architectural fees paid or to be paid in connection with such transaction and, in the case of any sublease, any actual costs incurred by Tenant in separately demising the sublet space (collectively, "Transaction Costs"), together with a list of all of Tenant's property to be transferred to such Transferee. Tenant shall deliver to Landlord evidence of the payment of such Transaction Costs promptly after the same are paid.

The amount payable under this Section 18.6 with respect to any particular Transfer is sometimes referred to herein as the "Transfer Premium." Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to the determination of whether and how much of a Transfer Premium is due, and shall have the right to make copies thereof.

Notwithstanding the foregoing, any assignment of the Lease or sublease of the Premises pursuant to Section 18.1(a) shall not be subject to a Transfer Premium.

## ARTICLE 19 TENANT'S PROPERTY

19.1 Removal of Tenant's Property During Term. Tenant's trade fixtures and personal property (collectively, "Tenant's Property"), however installed or located on the Premises, shall be and remain the property of Tenant and may be removed at any time and from time to time during the Term. Tenant shall repair any damage caused by removal of Tenant's Property.

19.2 Removal of Tenant's Property at End of Term. Upon the expiration or termination of this Lease, Tenant shall remove from the Premises (i) improvements performed by or on behalf of Tenant in accordance with the terms set forth in Section 19.4 below and (ii) all of Tenant's Property. Any of Tenant's Property remaining in the Premises after expiration or termination of the Term shall be deemed abandoned by Tenant. Tenant shall repair any damage caused by removal of Tenant's Property.

19.3 No Lien. In no event (including a default under this Lease) shall Landlord have any lien or other security interest in any of Tenant's Property located in the Premises or elsewhere, and Landlord hereby expressly waives and releases any lien or other security interest however created or arising.

19.4 Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender to Landlord the Premises and every part thereof, and any Alterations, Tenant signage or Tenant's Work not otherwise required to be removed by Tenant, broom clean and in good condition and state of repair, reasonable wear and tear and damage due to casualty or condemnation excepted. Tenant shall remove all Alterations and Tenant's Work that are specific to Tenant's use. Landlord shall identify during the process to approve Tenant's Design Documents of any components of Tenant's Work that Landlord deems to be "Specialty Improvements" that Tenant will be responsible for removing and restoring upon the expiration or earlier termination of this Lease. If Landlord fails to notify Tenant that any Alterations or Tenant's Work are Specialty Improvements, Tenant shall have no obligation to remove such Alterations or portion of Tenant's Work upon the expiration or earlier termination of this Lease. As used in this Lease, "Specialty Improvements" means any installation of any type or quantity that would not be installed by or for a typical tenant using space for general office purposes, and including, but not limited to any of the following: internal stairwells; any modifications to the Common Areas; raised floors; voice, data and other cabling; libraries, any areas requiring floor reinforcement or enhanced systems requirements; and supplemental systems and equipment used in connection therewith. If Tenant shall fail or refuse to remove all of the items required to be removed from the Premises upon the expiration or earlier termination of this Lease for any cause whatsoever or upon Tenant being dispossessed by applicable Laws or otherwise, such items shall be deemed conclusively to be abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without written notice to Tenant or any other party and without obligation to account for them. Tenant shall pay Landlord on demand any and all expenses incurred by Landlord in the removal of such property, including,

without limitation, the cost of repairing any damage to the Building or the Land caused by the removal of such property and storage charges (if Landlord elects to store such property).

19.5 Survival. The terms and provisions of this Article 19 shall survive the expiration or earlier termination of this Lease.

## ARTICLE 20 DEFAULT

20.1 Tenant's Default. Each of the following constitutes a default by Tenant ("Tenant Default"):

(a) If Tenant shall fail to pay when due any installment of Rent or any other charge or assessment against Tenant pursuant to the terms hereof (a "Monetary Default") within ten (10) Business Days after receipt of notice of such Monetary Default from Landlord to Tenant at Tenant's notice addresses set forth in both Sections 1.1(d) and 1.1(e) hereof which notice must contain the following inscription, in bold faced lettering: "**FAILURE TO TIMELY MAKE PAYMENT AS DESCRIBED BELOW WITHIN TEN (10) BUSINESS DAYS WILL CONSTITUTE A DEFAULT UNDER THE LEASE ALLOWING LANDLORD TO TERMINATE THE LEASE**";

(b) If Tenant shall fail to perform any obligation of Tenant or to comply with any provision of this Lease, other than the payment of the Rent or any other charge or assessment payable by Tenant or compliance with the items in clauses (c) through (j) below and shall not cure such failure within thirty (30) days after notice thereof to Tenant which notice must contain the following inscription, in bold faced lettering: "**FAILURE TO TIMELY PERFORM THE LEASE OBLIGATION DESCRIBED BELOW IN ACCORDANCE WITH THE TERMS OF THE LEASE WILL CONSTITUTE A DEFAULT UNDER THE LEASE ALLOWING LANDLORD TO TERMINATE THE LEASE**", and provided that if the nature of such failure is that it cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it commences such cure within such period, notifies Landlord within such period that it cannot reasonably complete such cure within thirty (30) days and thereafter diligently proceeds to cure said failure as soon as possible;

(c) If Tenant fails to deliver an estoppel in the time period set forth in Article 25 within five (5) Business Days after receipt of notice of such failure from Landlord to Tenant which notice must contain the following inscription, in bold faced lettering: "**FAILURE TO TIMELY DELIVER THE ESTOPPEL WITHIN FIVE (5) BUSINESS DAYS WILL CONSTITUTE A DEFAULT UNDER THE LEASE ALLOWING LANDLORD TO TERMINATE THE LEASE**";

(d) If Tenant fails to deliver an SAND Agreement in the time period set forth in Article 14 within five (5) Business Days after receipt of notice of such failure from Landlord to Tenant which notice must contain the following inscription, in bold faced lettering: "**FAILURE TO TIMELY DELIVER THE SAND AGREEMENT WITHIN FIVE (5) BUSINESS DAYS WILL CONSTITUTE A DEFAULT UNDER THE LEASE ALLOWING LANDLORD TO TERMINATE THE LEASE**";

(e) If Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition in any proceeding seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Laws, or shall file an answer admitting or fail timely to contest the material allegations of a petition filed against it in any such proceeding;

(f) If a proceeding is commenced against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future Laws, and such proceeding shall not have been dismissed within forty-five (45) days after the commencement thereof;

(g) If a receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Tenant;

(h) If Tenant Transfers the Lease in violation of Article 18;

(i) If Tenant fails to maintain adequate insurance in accordance with the Terms of this Lease within five (5) Business Days after receipt of notice of such failure from Landlord to Tenant which notice must contain the following inscription, in bold faced lettering: **“FAILURE TO PROVIDE EVIDENCE OF INSURANCE WITHIN FIVE (5) BUSINESS DAYS WILL CONSTITUTE A DEFAULT UNDER THE LEASE ALLOWING LANDLORD TO TERMINATE THE LEASE”**; or

(j) If the LC Provider (as defined below) fails to maintain or replenish a Letter of Credit in accordance with the provisions of Article 39.

20.2 Landlord’s Remedies. If a Tenant Default occurs, Landlord may do any one or more of the following, in addition to pursuing its remedies under Laws:

(a) Re-Entry. To the greatest extent allowed by applicable Laws, Landlord or the Landlord Parties may upon and with judicial process immediately or at any time thereafter re-enter the Premises, or any part thereof, and may repossess the Premises, and may remove any persons, fixtures or chattels therefrom, to the end that Landlord may have, hold and enjoy the Premises. In the event of any such retaking of possession of Premises by Landlord, Tenant shall remove all personal property located thereon and upon failure to do so upon demand of Landlord, Landlord may in addition to any other remedies allowed by Laws, remove and store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of Tenant. If Tenant shall fail to pay all sums due hereunder together with the cost of storing any such property within thirty (30) days after it has been stored, Landlord may sell any or all of such property at public or private sale and shall apply the proceeds of such sale first, to the cost of such sale; second, to the payment of the charges and expenses for re-entry, removal and storage; third, to the payment of any other sums of money that may be due from Tenant to Landlord under the terms of this Lease; and the balance, if any, to Tenant. Tenant hereby waives all claims for damages that may be caused by Landlord’s re-entering and taking possession of the Premises or removing and storing or selling the property of Tenant as

herein provided, and no such re-entry shall be considered or construed to be a forcible entry. RE-ENTRY OR TAKING POSSESSION OF SAID PREMISES BY LANDLORD SHALL NOT BE CONSTRUED AS AN ELECTION ON ITS PART TO TERMINATE THIS LEASE UNLESS A WRITTEN NOTICE OF SUCH INTENTION IS GIVEN TO TENANT.

(b) Continue the Lease. Landlord may elect to continue this Lease in effect, whether or not Tenant shall have abandoned or Landlord shall have re-entered the Premises. If Landlord continues this Lease in effect, Landlord shall be entitled to enforce all Landlord's rights and remedies under this Lease, including the right to recover the Rent as the same may become due hereunder and to recover damages from Tenant in accordance with the provisions of this Section 20.2.

(c) Terminate Lease. Landlord may terminate Tenant's right to possession and use of the Premises and/or terminate this Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord and shall pay Landlord damages as provided at this Section 20.2.

(d) Monetary Damages and Recovery. Tenant shall have full liability for payment of all damages suffered by Landlord which are proximately caused by any default or breach under this Lease, whether or not such default or breach is declared by Landlord, and such elements of damage and recovery by Landlord from Tenant shall specifically include, but not be limited to:

(i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination of the Lease or possession; plus

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination of the Lease or possession until the time of award exceeds the amount of such Rent loss that Landlord could have reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Landlord could have reasonably avoided; plus

(iv) the worth at the time of award of any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including but not limited to, all reasonable legal expenses and other related costs incurred by Landlord following a Tenant Default, the unamortized portion of any rent abatement and leasing commission paid or incurred by Landlord related to the then current Term of this Lease which is attributable to the unexpired portion of this Lease (amortized evenly over the then current Term with eight percent (8%) interest); all reasonable costs incurred by Landlord in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting; all other costs incurred by Landlord in reletting the Premises, including, without limitation, any reasonable brokerage commissions, legal fees and the value of Landlord's time; and interest, late charges and administrative fees, as herein provided.

The “worth at the time of award” referred to in Paragraphs (a), (b), and (d) above will additionally include interest at the Default Rate. The “worth at the time of award” referred to in Paragraph (c) will be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco in effect at the time of award, plus one percent (1%).

“Rent” shall be calculated for each month by adding (i) the monthly Base Rent and (ii) one-twelfth (1/12<sup>th</sup>) of the Additional Rent payable by Tenant hereunder during the twelve (12) consecutive month period prior to the month in which the Tenant Default occurred (or one-twelfth (1/12<sup>th</sup>) of the annualized amount of Additional Rent payable by Tenant for the period between the Commencement Date and the last day of the calendar month prior to the month in which the Tenant Default occurred, if such default occurs during the first twelve (12) calendar months of the Term).

Landlord shall not be obligated to relet the Premises to a particular tenant. Landlord at its option may make such physical changes to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting. If there is other unleased space in the Building, Landlord shall have no obligation to attempt to relet the Premises prior to leasing such other space in the Building.

(e) Form of Action for Damages. To the extent permitted under Laws, Landlord may sue periodically for damages as they accrue without barring a later action for further damages. All unpaid Rent after its due date shall bear interest from the date due at the Default Rate in addition to any late charges and administration costs related to such delinquency, whether or not a default is declared.

All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant’s sole cost and expense and without any reduction of Rent subject to the terms of this Lease. Upon a Tenant Default, Landlord may, but shall not be obligated to cure such Tenant Default without waiving its right based upon any Tenant Default and without releasing Tenant from any obligations hereunder. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of a Tenant Default, (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in this Lease and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent that is past due or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to Laws, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant’s obligations under this Section 20.2 shall survive the expiration or sooner termination of the Term.

20.3 Landlord’s Default. Each of the following constitutes a default by Landlord (“Landlord’s Default”):

(a) If Landlord shall fail to make any payment required to be made by Landlord under this Lease, as and when due, where such failure continues for a period of thirty (30) days after receipt of written notice thereof from Tenant to Landlord; and

(b) If Landlord shall fail to comply with, perform or observe any of its obligations under this Lease or to correct any breach of any warranty or representation made in Article 15, Article 32, Section 11.1, Section 26.2, or Section 40.11 of this Lease and shall not cure such failure within thirty (30) days after receipt of written notice from Tenant setting forth in reasonable detail the nature and extent of the failure referencing pertinent Lease provisions, and provided that if the nature of such failure is that it cannot reasonably be cured within a thirty (30) day period, Landlord shall not be deemed in default if it commences such cure within the thirty (30) day period, notifies Tenant within such thirty (30) day period that it cannot reasonably complete such cure within thirty (30) days and thereafter diligently proceeds to cure such failure.

20.4 Tenant's Remedies. If a Landlord Default occurs, Tenant may, subject to the remaining provisions of this Lease, pursue any remedy available under applicable Laws for such Landlord Default. Except as may be expressly provided herein, nothing contained in this Lease shall be interpreted to mean that Tenant shall be excused from paying Rent or any other amount due under this Lease in the event of any alleged or actual default by Landlord. Any amounts owing to Tenant and not timely paid by Landlord shall bear interest from the date due at the Default Rate.

20.5 Self-help. If a Landlord Default occurs relating to Landlord's obligation to maintain, repair, or provide items (ii) and (v) of the Base Building Systems in Section 1.1(kk) (the "Covered Self-Help Base Building Services"), and without being obligated to do so and without waiving Landlord's Default, Tenant may notify Landlord of the Landlord Default specifying the nature in reasonable detail of the failure to maintain, repair or provide the Covered Self-Help Base Building Services (including, without limitation, any payments which Tenant believes are necessary) (each, a "Self-Help Notice"). The Self-Help Notice shall contain bold face type on the first page thereof stating the following: **URGENT — THIS IS A SELF-HELP NOTICE PURSUANT TO THE PROVISIONS OF SECTION 20.5 OF THE LEASE: IF LANDLORD FAILS TO RESPOND OR OBJECT TO TENANT'S REQUEST WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN TENANT SHALL BE ENTITLED TO EXERCISE SELF-HELP RIGHTS.** If within five (5) Business Days of delivery of a Self-Help Notice Landlord has failed to respond to Tenant that Landlord has commenced to cure such default and thereafter does not cure such default within a reasonable amount of time, Tenant may, but shall not be obligated to, proceed to take the required action on behalf of, and for the account of, Landlord (including payment of monetary sums), and Landlord shall promptly reimburse Tenant for all third party reasonable costs and expenses paid or incurred on behalf of Landlord in connection with performing the obligations set forth in the Self-Help Notice. If Tenant undertakes any action pursuant to this Section 20.5, Tenant shall (i) proceed in accordance with all applicable Laws, (ii) retain to effect such actions only such reputable contractors and suppliers as are duly licensed in Portland, Oregon, provided that any and all maintenance or repair of the Building's elevators shall only be performed by Landlord's elevator contractor, (iii) effect such repairs or cause the performance of such other actions in a good and workmanlike manner, (iv) cure any liens in accordance with Article 35, (v) use new or like new materials and (vi) not take any action which would void any warranty with respect to Landlord's Work or the Base Building Systems.

20.6 Survival. The remedies permitted in this Article 20, Landlord's obligation to mitigate damages and the indemnities in Articles 17 and 26 shall survive termination or expiration of this Lease.

#### ARTICLE 21 NOTICES

All notices, demands or requests which may or are required to be given by one party to the other under this Lease shall be given in writing and delivered personally or sent by United States Certified Mail, postage prepaid, return receipt requested, or nationally recognized overnight air carrier, and addressed to the Landlord's Address or Tenant's Address, as the case may be. Any correspondence or notice to Tenant sent to Tenant at the Premises, or any location other than as designated in this Article 21, shall be null and void and of no force and effect, except where notice to the Premises is required by Laws. Any such notice, demand, request or other communication shall be deemed to have been given on the earlier of (a) the date of receipted delivery, refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no notice is given or (b) three (3) Business Days after it shall have been mailed as provided in this Article 21. Either party may change its address upon notice given to the other and legal counsel may deliver notices on behalf of such party.

#### ARTICLE 22 QUIET ENJOYMENT

Landlord covenants that, so long as this Lease has not been terminated as a result of a Tenant Default, Tenant's peaceable and quiet enjoyment of the Premises shall not be disturbed by Landlord or anyone claiming by or through Landlord.

#### ARTICLE 23 HOLDING OVER

If Tenant remains in possession after expiration or earlier termination of the Term without prior notice to Landlord as set forth in the last sentence of this Article 23, Tenant shall become a tenant-at-sufferance, and there shall be no renewal or extension of this Lease by operation of law. During the period of any such holding over, all provisions of this Lease shall be and remain in effect except that the monthly rental shall be one hundred twenty-five percent (125%) of the amount of Rent (including any adjustments as provided herein) payable for the last full calendar month of the Term, including renewals or extensions. The inclusion of the preceding sentence in this Lease shall not be construed as Landlord's consent for Tenant to hold over. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or earlier termination of this Lease. The provisions of this Article 23 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or under applicable Laws. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all Losses resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, any consequential damages and any lost profits resulting therefrom.

Notwithstanding the foregoing, Tenant may deliver written notice to Landlord no later than eighteen (18) months prior to the end of the Term that Tenant desires to remain in possession of the Premises for three (3) months after expiration of the Term in which case the Term hereunder shall be extended for such additional three (3) month period on all the terms, covenants and conditions of this Lease, except that the Base Rent payable hereunder for such three (3) month period shall increase by two and one-half percent (2.5%) of the amount of Base Rent payable for the prior full calendar month of the Term. The provisions of this Article 23 shall survive the expiration or earlier termination of this Lease.

#### ARTICLE 24 MEMORANDUM OF LEASE

This Lease shall not be recorded except as permitted in this Article 24. At the request of either party, the parties shall promptly execute and record, at the cost of the requesting party, a short form memorandum describing the Premises and stating this Lease's Term (including any options to extend), the Commencement Date, any other information the parties agree to include, and such other information as necessary to satisfy the notice of lease statute of the state of Oregon. Tenant may in its discretion and at its expense obtain an owner's policy of title insurance insuring its leasehold estate in the Premises, and Landlord shall reasonably cooperate at Tenant's sole cost and expense as may be reasonably required in order to obtain the issuance of such a policy; provided that, Landlord shall not be required to execute or modify any documents with respect to Tenant's title policy, including, without limitation, any document recorded in the Official Records, any owner's affidavit or other title affidavit, agreement, document or instrument required by a title or escrow company, any tax documents or an amendment or supplement to this Lease.

#### ARTICLE 25 ESTOPPEL CERTIFICATES

25.1 Landlord Estoppel. Upon request of Tenant at any time and from time to time, Landlord shall execute and deliver to Tenant, within ten (10) Business Days after receipt of the request, a written instrument, duly executed:

(a) Certifying that this Lease has not been amended or modified and is in full force and effect or, if there has been a modification or amendment, that this Lease is in full force and effect as modified or amended, and stating the modifications or amendments;

(b) Specifying the date to which the Rent has been paid;

(c) Stating whether to the actual knowledge of the party executing the instrument, Tenant is in default and, if so, stating the nature of the default; and

(d) Stating the Commencement Date and whether any option to extend the Term has been exercised.

25.2 Tenant Estoppel. Upon request of Landlord at any time and from time to time, Tenant shall execute and deliver to Landlord, any mortgagee or assignee of Landlord's interest in, or purchaser of, the Premises, Building or Land or any part thereof,

within ten (10) Business Days after receipt of the request, a written instrument in substantially the form attached hereto as Exhibit K or in such other commercially reasonable form as may be required by any mortgage, assignee or purchaser. Such certificate shall also include such other information as may reasonably be required by such mortgagee, assignee, purchaser or Landlord. Any such certificate may be relied upon by Landlord, any mortgagee, proposed mortgagee, assignee, purchaser and any other party to whom such certificate is addressed. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the form of estoppel certificate delivered by Landlord are true and correct, without exception.

## ARTICLE 26 ENVIRONMENTAL PROVISIONS

26.1 Hazardous Substances; Environmental Laws. The term “Hazardous Substance” means those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency (“EPA”) or in any list of toxic pollutants designated by Congress or the EPA or which are defined as hazardous, toxic, polluted, infectious or radioactive by any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including, without limitation, strict liability) or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereinafter in effect (collectively, “Environmental Laws”).

### 26.2 Landlord’s Obligations.

(a) Landlord represents and warrants to Tenant as of the Execution Date that:

(i) Landlord has not used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or about the Premises (or off-site of the Premises that might affect the Premises) any Hazardous Substance, other than with respect to remediation related to demolition of the previously existing structures on the Land.

(ii) To Landlord’s Knowledge and except as disclosed on Landlord’s existing Phase I Environmental Report, (x) no underground storage tanks have been removed from the Premises and (y) no underground storage tanks are located on the Premises, other than an underground storage tank located below floor level in the southeast corner of the basement of the “Temple Building”.

(b) Landlord will give prompt written notice to Tenant of:

(i) Any proceeding or inquiry by any governmental authority known to Landlord with respect to the presence of any Hazardous Substance on the Premises (or off-site of the Premises that might affect the Premises) or relating to any loss or injury resulting from any Hazardous Substance not caused by Tenant;

(ii) All claims made or threatened by any third party against Landlord or the Premises relating to any loss or injury resulting from any Hazardous Substance; and

(iii) Landlord's discovery of any occurrence or condition on the Premises (or off-site of the Premises that might affect the Premises) that could cause the Premises or any part thereof to be subject to any restrictions on occupancy or use of the Premises under any Environmental Law.

(c) Neither Landlord nor any Landlord Party will use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Premises, Building or the Land, or transport to or from the Premises, Building or the Land, any Hazardous Substance except for such Hazardous Substances as are used, transported or stored as a consequence of constructing or operating the Building, but only so long as Landlord remains in compliance with all Environmental Laws.

(d) Landlord shall protect, indemnify, defend, reimburse, and hold harmless Tenant and its directors, officers, employees, agents, parents, subsidiaries, successors and assigns from any Losses directly or indirectly arising out of or attributable to Landlord's or any Landlord Party's use, generation, manufacture, production, storage, release, threatened release, discharge or disposal of a Hazardous Substance on, under or about the Premises (or off-site on property owned or operated by Landlord that affected the Premises) or a breach of any representation or warranty, covenant or agreement contained in this Section 26.2 including, without limitation, the costs of any required or necessary repairs, cleanup or detoxification of the Premises and the preparation and implementation of any closure, remedial or other required plans.

26.3 Tenant's Obligations. Tenant agrees that:

(a) Neither Tenant nor any Tenant Party will use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Premises, Building or the Land, or transport to or from the Premises, Building or the Land, any Hazardous Substance except for such Hazardous Substances as are used, transported or stored as a consequence of using the Premises for those uses permitted under this Lease, but only so long as Tenant remains in compliance with all Environmental Laws.

(b) Tenant shall give prompt written notice to Landlord of:

(i) Any proceeding or inquiry by any governmental authority known to Tenant with respect to the presence of any Hazardous Substance on the Premises; and

(ii) All claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from any Hazardous Substance; and

(iii) Tenant's discovery of any occurrence or condition on the Premises that could cause the Premises or any part thereof to be subject to any restrictions on occupancy or use of the Premises under any Environmental Law.

(c) Tenant shall protect, indemnify, defend, reimburse, and hold harmless Landlord and the Landlord Parties from any Losses arising out of or attributable to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of a Hazardous Substance on the Premises, Building or the Land caused by Tenant and the Tenant Parties, or a breach of any representation, warranty, covenant or agreement contained in this

Section 26.3 including, without limitation, the costs of any required or necessary repairs, cleanup or detoxification of the Premises, Building or the Land and the preparation and implementation of any closure, remedial or other required plans.

26.4 Expiration or Termination of Lease. This Article 26 shall survive expiration or termination of this Lease.

## ARTICLE 27 PARKING PROVISIONS

During the Term, Tenant shall have the exclusive use of the parking garage to be constructed underneath the Building (the "Parking Garage"). The Parking Garage was designed and permitted to accommodate ninety (90) standard-size cars. Landlord acknowledges that Tenant intends to park a certain number of Tenant's service vehicles in the Parking Garage and that such service vehicles are larger than a standard car. Subject to applicable Laws, Tenant shall have the right to reduce the number of parking spaces actually striped in the Parking Garage and to determine the configuration of the parking spaces and striping. Tenant shall pay Landlord a monthly fee for each striped parking space, provided, however, for purposes of determining the monthly parking charge payable to Landlord, there shall be deemed no less than eighty-five (85) parking spaces within the Parking Garage. For example, if: (i) Tenant configures the Parking Garage so that there are eighty (80) striped parking spaces, then Tenant shall nonetheless be charged for eighty-five (85) parking spaces and (ii) Tenant configures the Parking Garage so that there are eighty-eight (88) striped parking spaces, then Tenant shall be charged for eighty-eight (88) parking spaces. The initial monthly charge (i.e. the charge on the Commencement Date) for each parking space during the first Lease Year shall be Two Hundred Sixty-Five and 00/100 Dollars (\$265.00) and thereafter may be increased by Landlord in accordance with market increases (the "Parking Charges"). Parking Charges shall be payable by Tenant to Landlord as Additional Rent under this Lease. Notwithstanding anything in this Article 27 to the contrary, the Parking Charges payable by Tenant in any Lease Year shall not exceed the Parking Charges for the initial Lease Year increased by three percent (3%) annually on a cumulative and compounded basis for each subsequent Lease Year through and including the applicable Lease Year for which the calculation is determined. Subject to applicable Laws, Tenant shall have the right to park more cars than actual striped spaces provided that Tenant shall be responsible at its own cost or as a part of Operating Costs for a garage attendant to coordinate the same; provided that Landlord shall receive as Additional Rent fifty percent (50%) of any deemed profits received by Tenant for parking vehicles in excess of the number of striped spaces. Profits shall be calculated based on the number of parked vehicles using such valet system in excess of the striped stalls multiplied by the Parking Charges less the operating costs actually incurred in connection with such valet service.

## ARTICLE 28 ROOFTOP TERRACE

Tenant shall have exclusive use of the rooftop deck of the Building (the "Rooftop Terrace"). Tenant's use of the Rooftop Terrace shall at all times be in compliance with applicable Laws, subject to Landlord's reasonable rules or occupancy requirements with respect thereto, and on the terms and conditions set forth herein. Tenant shall not make any

improvements or alterations to the Rooftop Terrace or affix or place graphics, signs and/or insignias, and/or the like, and/or furniture, fixtures, equipment or other items of any kind whatsoever on the Rooftop Terrace (collectively, "Rooftop Terrace Property") without Landlord's consent, and subject to any terms and conditions Landlord may impose on the use and installation thereof, all in Landlord's reasonable discretion; provided that no Landlord approval of any furniture shall be required if such furniture is not visible outside of the Building. Any such Rooftop Terrace Property shall comply with the load requirements of the Rooftop Terrace (it being understood that Tenant shall not place a load upon the Rooftop Terrace that exceeds sixty (60) pounds per square foot of area "live load"). Any such Rooftop Terrace Property must be secured to the Rooftop Terrace, and the method by which any such items are secured to the Rooftop Terrace shall be subject to Landlord's prior written approval. Notwithstanding Landlord's review and approval of the method by which the Rooftop Terrace Property is secured, Tenant shall remain solely liable for any liability arising from Tenant's placement of Rooftop Terrace Property on the Rooftop Terrace, and Landlord shall have no liability in connection therewith. Landlord shall have the right of reasonable access to the Rooftop Terrace, to reasonably landscape and display plants on the Rooftop Terrace, to reasonably place furniture, fixtures and equipment thereon, to repair or maintain the Rooftop Terrace, for health and/or safety concerns which pose a risk to persons or property, and to make any reasonable, desired alterations or modifications to the Rooftop Terrace. Tenant, at its sole cost and expense, shall keep the Rooftop Terrace in a clean condition. Tenant shall remove any Rooftop Terrace Property upon the expiration or earlier termination of this Lease, and shall return the affected portion of the Rooftop Terrace to the condition that the Rooftop Terrace would have been in had no such Rooftop Terrace Property been placed or installed thereon. Tenant agrees not to permit any smoking on the Rooftop Terrace.

## ARTICLE 29 RIGHT OF FIRST OFFER

29.1 One Time Right of First Offer. Landlord hereby grants to Tenant a one (1) time right of first offer to purchase the Land and the Building (collectively, the "Project") with respect to Landlord's initial sale of the Project occurring after the date which is two (2) years after the date on which a temporary certificate of occupancy is issued for the Project (the "Lockout Date"), upon the terms and conditions as set forth below; provided, however, that a sale pursuant to such right of first offer shall only be permitted to the extent that Landlord determines in its sole discretion that such sale satisfies the safe harbor from prohibited transactions under Internal Revenue Code Section 857(b)(6)(C).

29.2 Disposition Notice; Offer Notice. So long as Tenant is not in default under this Lease and has not previously defaulted under this Article 29, prior to consummating a sale of all or substantially all of the Project following the Lockout Date, Landlord shall deliver a written notice to Tenant (a "Disposition Notice"). Within thirty (30) days after Tenant's receipt of a Disposition Notice, time being of the essence, Tenant may deliver written notice (an "Offer Notice") to Landlord setting forth Tenant's offer to purchase (the "Offer") the Project, free and clear of liens for all indebtedness, for an all-cash purchase price, determined by Tenant in its sole discretion (such offered price, the "Designated Price"). If Tenant fails to timely deliver an Offer Notice, then Landlord shall have the sole and exclusive right to sell the Project without giving Tenant any further right (and Tenant hereby irrevocably

waives any such right) to purchase the Project and all of Tenant's rights under this Article 29 shall be deemed irrevocably waived and Tenant shall no longer have any further rights to purchase the Project under this Lease.

### 29.3 Tenant's Election.

(a) Within thirty (30) days after receipt of the Offer Notice (the "Election Period"), time being of the essence, Landlord shall provide written notice to Tenant of its election (the "Election Notice") to either (i) accept the Offer and proceed with the sale of the Project to Tenant, for an amount equal to the Designated Price and otherwise on the terms and conditions set forth in this Article 29 or (ii) reject the Offer and proceed with the sale of the Project, subject to this Article 29. If Landlord makes the election under clause (i) above to accept the Offer, then, within ten (10) days after Tenant's receipt of the Election Notice, Tenant shall deliver a non-refundable deposit to Landlord in an amount equal to five percent (5%) of the Designated Price (the "Deposit"), by wire transfer of immediately available federal funds, which amount shall be applicable to the Designated Price at closing. Failure to make the Deposit within the time period required hereunder will be deemed a withdrawal of the Offer Notice and Landlord shall have the sole and exclusive right to sell the Project without giving Tenant any further right (and Tenant hereby irrevocably waives any such right) to purchase the Project and all of Tenant's rights under this Article 29 shall be deemed irrevocably waived. If Landlord makes the election under clause (i) above to accept the Offer and Tenant makes the Deposit within such time period, then the terms set forth in Section 29.4 below shall apply.

(b) If Landlord (i) delivers an Election Notice stating that it elects to reject the Offer or (ii) does not deliver an Election Notice prior to the end of the Election Period, then Landlord shall have the sole and exclusive right and authority to sell the Project to a third party, subject to the remainder of this Article 29.

(c) If Landlord desires to sell the Project to a third party for a purchase price that is less than ninety percent (90%) of the Designated Price, Landlord shall deliver written notice to Tenant of its desire to sell the Project (a "Supplemental Disposition Notice"), which Supplemental Disposition Notice will include the new Designated Price determined by Landlord in its sole discretion. Within ten (10) days after receipt of a Supplemental Disposition Notice, time being of the essence, Tenant shall provide written notice to Landlord of Tenant's election (the "Supplemental Election Notice") to either (i) purchase the Project for an amount equal to the Designated Price set forth in the Supplemental Disposition Notice and otherwise on the terms and conditions set forth in this Article 29 or (ii) not purchase the Project. If Tenant elects to purchase the Project at such Designated Price, the terms set forth in Section 29.4 shall apply. In order for the Supplemental Election Notice to be effective, Tenant must simultaneously deliver to Landlord the Deposit, by wire transfer of immediately available federal funds, which amount shall be applicable to the Designated Price at closing. If (x) Tenant delivers a Supplemental Election Notice stating that it elects not to purchase hereunder or (y) Tenant fails to deliver either the Supplemental Election Notice or the Deposit within the required time period, time being of the essence, then Landlord shall have the sole and exclusive right to sell the Project without giving Tenant any further right (and Tenant hereby irrevocably waives any such right) to purchase the Project and all of Tenant's rights under this Article 29 shall be deemed irrevocably waived.

29.4 Procedures for Purchase. Landlord and Tenant hereby agree as follows:

(a) During the period commencing on the date of the delivery of the Election Notice (or, if applicable, Supplemental Election Notice) and ending on the ROFO Closing Date (as defined below), the Project shall continue to be operated in the ordinary course of business as if the ROFO Closing were not going to occur.

(b) The sale to Tenant shall be “as is”, without any representation or warranty from Landlord.

(c) The closing of the purchase and sale contemplated by this Section 29.4 (the “ROFO Closing”) shall occur thirty (30) days after Tenant’s receipt of the Election Notice or Supplemental Election Notice, as applicable (the “ROFO Closing Date”), time being of the essence, unless a later date is elected by Landlord not to exceed an additional six (6) month period.

(d) At the ROFO Closing, (i) Landlord shall execute and deliver a customary warranty deed, a bill of sale and an assignment of leases and other third party contracts and (ii) Landlord and Tenant shall execute and deliver any other such documents and take such further action as shall be reasonably necessary or appropriate to consummate the transactions contemplated by this Section 29.4.

(e) At the ROFO Closing, no later than 11:00 a.m. (Pacific Time) on the date that the ROFO Closing is scheduled to occur (the “ROFO Closing Date”), Tenant shall deliver to Landlord, by wire transfer of immediately available funds, the balance of the Designated Price (net of the Deposit). The Designated Price shall be adjusted by (i) operating expenses and revenues as of the ROFO Closing Date, (ii) other customary prorations, calculated in accordance with the applicable local custom where the Project is located as of 12:01 a.m. on the ROFO Closing Date, and (iii) all other actual closing costs, including any transfer taxes, shall be allocated in accordance with local custom, with Landlord paying any closing costs that are customarily allocated to and payable by the seller and Tenant paying any closing costs that are customarily allocated to and payable by the buyer. If any of the items described in this Section 29.4(e) cannot be apportioned on the ROFO Closing Date because of unavailability of information as to the amounts that are to be apportioned or otherwise (or are incorrectly apportioned at the ROFO Closing or subsequent thereto), such items shall be apportioned or reapportioned, as applicable, as soon as practicable after the ROFO Closing or the date such error is discovered; provided, however, that neither Landlord nor Tenant shall have the right to request apportionment or reapportionment of any item at any time following the one (1) year anniversary of the ROFO Closing Date, except that any real estate tax refunds or savings received on account of any tax appeals shall be apportioned or reapportioned, as applicable, as and when received without regard to the one (1) year limitation on requesting apportionment or reapportionment as described above.

(f) Notwithstanding anything set forth herein, all existing loans and guaranties affecting the Project shall be repaid in full and/or discharged and released, as the case

may be, on or prior to the ROFO Closing Date such that the sale to Tenant shall be free and clear of all monetary liens and encumbrances.

(g) As of the ROFO Closing Tenant shall indemnify, defend and hold harmless Landlord and the Landlord Parties from and against any and all Losses relating to the Project arising or accruing from and after the ROFO Closing Date.

(h) All risk of loss from casualty or condemnation events affecting the Project shall shift to Tenant upon delivery of the Election Notice accepting the Offer, and no such casualty or condemnation event shall relieve Tenant from its obligation to consummate the purchase of the Project pursuant to this Article 29; provided, however, that all insurance proceeds and condemnation awards and claims and rights with respect thereto shall be assigned to Tenant at the ROFO Closing and there shall be no adjustments made to the Designated Price on account of such amounts, as applicable.

(i) Other than as expressly set forth in this Section 29.4, there shall be no closing conditions to the consummation of the sale.

(j) Landlord shall be permitted to effectuate an exchange of the Project as part of the sale in accordance with Section 1031 of the Internal Revenue Code or such other provision as may replace Section 1031 following the date hereof.

#### 29.5 Remedies.

(a) The parties acknowledge and agree that if the ROFO Closing fails to occur as provided in this Article 29 (other than as set forth in Section 29.5(b) below), then Landlord shall be entitled to receive the Deposit as agreed upon liquidated damages (and not as a penalty or forfeiture) and as its sole and exclusive remedy at law or in equity, except that Landlord shall have the sole and exclusive right to sell the Project without giving Tenant any further right (and Tenant hereby irrevocably waives any such right) to purchase the Project and all of Tenant's rights under this Article 29 shall be deemed irrevocably waived. Tenant and Landlord hereby agree that Landlord's actual damages would be extremely difficult or impossible to ascertain and the amount of the Deposit is a reasonable estimate of the damages incurred by Landlord as a result of any such failure by Tenant to proceed with the closing on the ROFO Closing Date.

(b) If the ROFO Closing fails to occur because of a default by Landlord in any material respect, then Tenant, as its sole and exclusive remedy, shall have the right to elect either of the following: (x) the prompt return of the Deposit or (y) specific performance of Landlord's obligation to complete the transaction. Any action for specific performance must be commenced within thirty (30) days after the scheduled ROFO Closing Date. Except as specifically set forth in this Section 29.5(b), Tenant does hereby specifically waive any right to pursue any other remedy at law or equity for such default of Landlord, including, without limitation, any right to seek, claim or obtain actual damages, punitive damages, special damages or consequential damages.

29.6 Personal Right. The terms and provisions of this Article 29 are personal to Northwest Natural Gas Company and may not be assigned, voluntarily or

involuntarily (i) to any Person other than to any Permitted Transferee under Section 18.1(a) or (ii) separate and apart from the Lease.

29.7 Other Transfers. The terms and provisions of this Article 29 (i) shall not apply to a sale of the Project or other transfer of the Project to an Affiliate of Landlord, foreclosure by a Mortgagee or acceptance of a deed-in-lieu of foreclosure and (ii) are not binding on any successor landlord obtaining ownership of the Project pursuant to any foreclosure or deed-in-lieu of foreclosure.

## ARTICLE 30 PROPERTY MANAGEMENT AND PROVISION OF SERVICES

### 30.1 Property Management.

Landlord shall consult with Tenant prior to selecting the property manager for the Building, provided that Landlord shall select the property manager for the Building in its sole discretion.

### 30.2 Tenant's Right to Adjust Provision of Services.

Tenant shall have the reasonable right to designate the level of Building services to be provided to Tenant such as day porter services, janitorial services or security services provided that the cost of such additional services shall not be deemed Controllable Operating Expenses.

## ARTICLE 31 TENANT'S COMMUNICATION EQUIPMENT

31.1 Communication Equipment. During the Term of this Lease, Tenant shall have the exclusive (subject to the provisions of Section 31.5) right to install (in accordance with the provisions of Articles 9, 10 and 11 of this Lease), operate and maintain dish, antenna and other communication devices (individually and collectively, "Tenant's Telecommunication Equipment") for its own use and not for sale or rent to third parties, subject to Landlord's approval of the number of devices exceeding five (5), location and method of installation, which approval shall not be unreasonably withheld, conditioned or delayed. If there is only one (1) location on the roof for Tenant's Telecommunication Equipment which provides adequate communications (as determined by Tenant in its reasonable discretion), Tenant shall, subject to compliance with all applicable Laws, be permitted to install the Tenant's Telecommunication Equipment in that location. Tenant shall be solely responsible for obtaining and maintaining, at its sole cost and expense, all necessary governmental and regulatory approvals and any other third party approval and shall promptly provide a copy of the same to Landlord as a condition to Tenant's right to install or remove any Tenant's Telecommunication Equipment. Tenant shall be solely responsible for the cost of installing, operating, maintaining and removing Tenant's Telecommunication Equipment. Tenant's Telecommunication Equipment shall be removed from the Building on or prior to the end of the Term and Tenant shall promptly take all necessary action to repair any damage caused by such removal and to otherwise restore the Building to the condition that existed prior to the installation of the Tenant's Telecommunication Equipment reasonable wear and tear excepted.

31.2 Installation. The installing, maintaining and repairing of Tenant's Telecommunication Equipment shall be performed by Tenant or Tenant's authorized representative or contractors, at Tenant's sole cost and risk. Tenant agrees to be responsible for any damage caused to the roof or any other part of the Building arising from or related to the Tenant's Telecommunication Equipment.

31.3 Compliance. Tenant shall, at its sole cost and expense, and at its sole risk, install, operate and maintain Tenant's Telecommunication Equipment in good and workmanlike manner, and in compliance with all Laws and matters of record now in effect or hereafter promulgated, of the Federal Government, including, without limitation, the Federal Communications Commission (the "FCC"), the Federal Aviation Administration ("FAA") or any successor agency of either the FCC or FAA having jurisdiction over radio or telecommunications. Under this Lease, Landlord and its agents assume no responsibility for the licensing, operation and/or maintenance of Tenant's equipment. Neither Landlord nor any Landlord Party shall be liable to Tenant for any stoppages or shortages of electrical power furnished to Tenant's Telecommunication Equipment because of any act, omission or requirement of the public utility serving the Land and/or Building, and Tenant shall not be entitled to any rental abatement for any such stoppage or shortage of electrical power. Neither Landlord nor any Landlord Party shall have any responsibility or liability for the conduct or safety of any of Tenant's representatives, repair, maintenance and engineering personnel while in or on any part of the roof.

31.4 Equipment. All roof equipment, including, without limitation, utilities and Tenant's Telecommunication Equipment shall be screened from view with an opaque screen or fence architecturally integrated with the Building reasonably approved by Landlord.

31.5 Exclusivity Exceptions. Tenant shall not be permitted to locate any third-party telecommunications equipment on the Building roof, including, but not limited to, cellular communications equipment or wireless equipment for use by parties other than Tenant. Landlord acknowledges that during the first three (3) months after the Commencement Date ("Tenant's Exclusivity Period"), Tenant shall have the reasonable right to adjust and relocate Tenant's Telecommunication Equipment to maximize the effectiveness of signal transmission from Tenant's Telecommunication Equipment. After Tenant's Exclusivity Period, Landlord shall be permitted to locate equipment on the Building's roof, provided that in no event shall any such equipment cause (i) any signal interference or signal blockage including so called "line of sight blockage" with respect to Tenant's Telecommunication Equipment or (ii) any other interference with or interruption of Tenant's Telecommunication Equipment. If Tenant alleges that Landlord's equipment affects Tenant's Telecommunication Equipment as set forth in the foregoing sentence, then Tenant shall deliver written notice to Landlord which notice shall provide specific details regarding the nature of such interruption or interference.

ARTICLE 32  
BROKERS

Landlord warrants to Tenant that the only broker that has been retained in connection with this Lease on behalf of Landlord is Melvin Mark Brokerage Company ("Landlord's Broker"). Tenant warrants to Landlord that the only broker that has been retained in connection with this Lease on behalf of Tenant is Cushman & Wakefield ("Tenant's Broker"). Landlord shall be responsible for payment of all commissions, fees and amounts owing to Landlord's Broker and Tenant's Broker ("Tenant's Broker's Commission") in connection with this Lease pursuant to separate written agreements. Landlord shall indemnify and defend Tenant against the claims of any other broker arising from Landlord's acts. Tenant shall indemnify and defend Landlord against the claims of any other broker arising from Tenant's acts.

### ARTICLE 33 ARBITRATION; WAIVER OF JURY TRIAL

The parties agree that should any action, claim, controversy, or dispute (each, a "Dispute") arise between them, those Disputes shall be resolved in a court in Portland, Oregon. The parties agree that at the election of either party a Dispute relating to construction in the Building (including, without limitation, the Milestones (as defined in Exhibit E), construction of Landlord's Work and construction of Tenant's Work) may be arbitrated (each, an "Arbitrable Claim"); provided that such Dispute does not relate or arise from any of the other Disputes to be litigated pursuant to the other terms and provisions of this Article 33. An Arbitrable Claim shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) the American Arbitration Association and the arbitration shall occur in Portland, Oregon. The extent of Arbitrable Claims is meant to be exclusive and limited. Any Dispute that is not expressly mentioned as an Arbitrable Claim shall be resolved in a court in Portland, Oregon. For the avoidance of doubt, any and all Disputes relating to or arising from any failure to pay Rent, breaches of this Lease not expressly mentioned as an Arbitrable Claim, default by either party, or unlawful detainer and/or eviction of Tenant shall be resolved in a court in Portland, Oregon and shall not be arbitrated. Any dispute as to whether a Dispute falls within the limited list of Arbitrable Claims shall be (a) resolved without applying a presumption in favor of arbitration instead presuming the parties intended to resolve all doubts in favor of resolution by a court in Portland, Oregon and (b) adjudicated by a court in Portland, Oregon. Any arbitrator selected in connection with resolution of a Dispute of an Arbitrable Claim must be an attorney with at least ten (10) years of experience in the construction of commercial buildings in the Portland, Oregon area. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS LEASE (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), LANDLORD AND TENANT EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY STATUTORY REMEDY.

### ARTICLE 34 EXCULPATION

34.1 Exculpation. If Landlord fails to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, and if as a consequence of Landlord's default Tenant obtains a final, non-appealable money judgment against Landlord, the judgment shall be satisfied only (a) by offset against Rent, (b) out of the proceeds of sale received upon execution of the judgment and levied thereon against the right, title and interest of Landlord in the Premises, Building, and/or Land, (c) out of rents, issues or other income receivable by Landlord, (d) out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Premises, Building, and/or Land or (e) out of insurance or condemnation proceeds receivable or received by Landlord. Nothing contained herein shall limit or affect any right that Tenant might otherwise have to obtain injunctive relief or other remedies or actions against Landlord that do not involve the personal liability of Landlord or of the persons that comprise Landlord to respond in monetary damages from property other than Landlord's interest in the Building, and Land where the Premises are located. In the event of any sale or transfer of the Building and/or assignment of this Lease by Landlord, Landlord shall be released and relieved of Landlord's duties, obligations or liability under any of the covenants and obligations contained in or derived from this Lease so long as the purchaser at such sale or transfer or any subsequent sale or transfer, and/or the assignee of Landlord assigns this Lease, assumes and agrees to carry out any and all of the covenants, duties and obligations of the Landlord under this Lease (the "Assumption"). In any event, Landlord shall not be released or relieved from any covenants or obligations or liability under this Lease arising or incurred prior to the date of the Assumption.

34.2 Limitation of Landlord's Liability. Landlord's partners, joint venturers, members, shareholders, directors, lenders, mortgagees, officers and employees (collectively, the "Landlord Entities") shall have no personal liability for the obligations of Landlord under this Lease. Under no circumstances shall Landlord or any of the Landlord Entities be liable for injury to Tenant's business or for any loss of income or profit therefrom. Notwithstanding anything contained in this Lease to the contrary, Landlord and the Landlord Entities shall in no event be liable to Tenant or any other person for any consequential damages, special or punitive damages, or for loss of business, revenue, income or profits even if caused by the active or passive negligence, or intentional or willful misconduct, of Landlord or any Landlord Entities, and Tenant hereby waives any and all claims for any such damages. Notwithstanding the foregoing, nothing in this Section 34.2 shall limit the liability of any Landlord Entity which acquires the Building and/or the Land under Section 34.1.

34.3 Limitation of Tenant's Liability. Tenant's partners, joint venturers, members, shareholders, directors, lenders, mortgagees, officers and employees (collectively, the "Tenant Partners") shall have no personal liability for the obligations of Tenant under this Lease. Notwithstanding anything contained in this Lease to the contrary, except as set forth in Article 23 hereof, Tenant and the Tenant Partners shall in no event be liable to Landlord or any other person for any consequential, special or punitive damages with respect to the obligations of Tenant under this Lease, even if caused by the active or passive negligence, or intentional or willful misconduct, of Tenant or any Tenant Partner, and Landlord hereby waives any and all claims for any such damages.

34.4 Survival. The provisions of this Article 34 shall survive the expiration or earlier termination of this Lease.

ARTICLE 35  
REMOVAL OF LIENS

If Landlord is doing, or is having done, any work in the Premises on behalf of Tenant, and liens are placed against the Premises by any Person entitled to do so by Law and engaged in providing work, services, or materials for or to such work, Landlord has the sole and exclusive obligation to take whatever steps may be appropriate and necessary, at Landlord's sole cost and expense, to discharge, bond or otherwise remove the liens, Tenant having no such obligation whatsoever. Tenant agrees not to suffer or permit any lien of mechanics or materialmen to be placed on the Premises or the Building, and if any such lien does so attach to immediately pay, remove or bond over the same within ten (10) Business Days after Tenant receives notice of the lien pursuant to ORS 87.039. If Tenant does not timely pay, remove or bond over the lien, Landlord may satisfy the lien and the sum paid by Landlord shall constitute Additional Rent due and payable by Tenant along with interest thereon at the Default Rate.

ARTICLE 36  
RULES AND REGULATIONS

Tenant shall abide by (and will use reasonable efforts to cause its employees, agents and any others permitted by Tenant to occupy or enter the Premises to abide by) the rules and regulations (the "Rules"). The initial Rules are attached hereto as Exhibit J. The Rules may be reasonably modified by Landlord during the Term and otherwise consistent with the rules and regulations of other comparable single tenant buildings in Portland, Oregon. If there is any conflict between the Rules and the provisions of this Lease, the provisions of this Lease shall prevail.

ARTICLE 37  
CONFIDENTIALITY

Except as expressly permitted in this Article 37, neither Landlord, Tenant nor their respective agents, servants or employees will, without the prior written consent of the other party, disclose the terms of this Lease, which such terms, but not the mere existence of this Lease, shall be deemed confidential. The terms and conditions of this Lease will cease being confidential if, and only to the extent that, they become publicly known, except through a breach of this Lease by the receiving party. Each party will secure and protect the terms of this Lease in a manner consistent with the steps taken to protect its own trade secrets and confidential information, but not less than a reasonable degree of care. Either party may disclose the terms of this Lease where the disclosure: (A) is required by Laws or by an order of a court or by a governmental body having jurisdiction (and for avoidance of doubt, specifically including the Oregon Public Utilities Commission and the Washington Utilities and Transportation Commission), or is requested as part of a legal process, (B) is advisable or necessary under any applicable securities laws regarding public disclosure of business information, (C) is reasonably necessary and is to that party's or its Affiliates' employees, officers, directors, attorneys, contractors, accountants, investors, proposed lenders, proposed purchasers, consultants and other advisors, or to Landlord's mortgage lender and its counsel, or the disclosure is otherwise necessary for a party to exercise its rights and perform its obligations under this Lease, so long as in all cases the disclosure is no broader than necessary and the party who receives the disclosure

agrees prior to receiving the disclosure to keep the information confidential or (D) is reasonably necessary for a party to conclude a business transaction (including, without limitation, a sale of the Building or the Land or a Transfer of Tenant's interest in the Lease). If a party is required or requested to disclose the terms of the Lease under item (A) above, that party will provide reasonable notice to the other party of the requirement or request and seek a protective order or other appropriate remedy to protect the confidentiality of the Lease from public disclosure. Each party is responsible for ensuring that the terms of this Lease are kept confidential by the Person receiving the disclosure. Without limiting the generality of this Article 37, neither Landlord nor Tenant may use, including, without limitation, as part of the issuance of any press releases or similar communications, Tenant's or Landlord's, as applicable, trademarks, trade names or other proprietary identifying symbols without the prior written approval of the applicable party, which approval shall be granted or withheld in the applicable party's sole and absolute discretion; provided, however, that (i) Landlord and its Affiliates and managers shall at all times have the right to use photographs and other images of the Building in any manner Landlord or the Landlord Parties deem appropriate or desirable (whether or not Tenant's name or signage on the Building is visible therein) and (ii) the terms of this Article 37 shall not be interpreted to prevent Landlord from marketing the Building or the Land (either in connection with leasing space in, or the sale of, the Building or the Land) or from listing the Building or the Land and Tenant's name in other reports, disclosures and collateral materials (including on any website of any Landlord Parties) in a manner which is consistent with normal practices for other buildings owned by Landlord or its Affiliates. Solely as an example of the foregoing, Landlord's marketing materials may include Tenant's name listed as a tenant of the Building.

### ARTICLE 38 SIGNAGE AND NAMING RIGHTS

38.1 Building Exterior Sign. So long as Tenant has not subleased more than two (2) full floors of the Premises, Tenant shall have the right to install at its expense a sign identifying Tenant by its business name and logo on the Building exterior (the "Building Exterior Sign"). The Building Exterior Sign shall be installed in compliance with the requirements of applicable Laws.

38.2 Building Interior Signage. So long as Tenant has not subleased more than two (2) full floors of the Premises, Tenant shall have the right to install at its expense a sign identifying Tenant by its business name and logo in the first floor Building lobby, in the first floor elevator bank, and in all Building elevators that have access to the reception and service floors (collectively, the "Building Interior Signs"). The Building Interior Signs shall be installed in compliance with the requirements of applicable Laws.

38.3 Building Naming Rights. So long as Tenant has not subleased more than two (2) full floors of the Premises, Landlord shall name and refer to the Building as the "NW Natural Building" or "NW Natural Gas Building" or such other name as Tenant shall designate and which is approved by Landlord in Landlord's sole discretion.

38.4 Approvals. Tenant shall be responsible for obtaining all required approvals under applicable Laws for all signs. The installation of Tenant's signage shall be subject to Tenant's receipt of all required governmental permits and approvals and shall

be subject to all applicable Laws and to any covenants, conditions and restrictions affecting the Land and/or the Building. Landlord makes no representation and is not warranting that any specific signage is permitted under applicable Laws.

38.5 Assignment of Signage Rights. The signage rights set forth in this Article 38 may not be assigned, voluntarily or involuntarily, except to a Permitted Transferee that assumes all of Tenant's obligations under the Lease, and only if such Permitted Transferee occupies not less than eight (8) full floors of the Building.

38.6 Signage Generally. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Tenant's signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Land and the Building. Tenant shall be responsible, at its sole cost and expense, for all costs associated with the design, fabrication, permitting, installation, repair, maintenance, replacement, removal of all Tenant's signs and the repair of any damage to the Building resulting from the removal of such signage. Tenant shall not be permitted to transfer any signage or naming rights to any Transferee which will utilize an Objectionable Name. "Objectionable Name" shall mean any name which relates to a Person which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Land and/or the Building, or which would otherwise reasonably offend landlords of Class "A" office buildings in the Comparable Market Area. Any signs, notices, logos, pictures, names or advertisements which are installed outside of the Premises and that are not permitted by the terms of this Lease may be removed without notice by Landlord at the sole cost and expense of Tenant. Should Tenant sublease more than two (2) full floors of the Premises Landlord may require Tenant to remove any Tenant signage (including, without limitation, the Building Exterior Sign and the Building Interior Signs) within thirty (30) days of written notice from Landlord to Tenant.

## ARTICLE 39 LETTER OF CREDIT

39.1 Form of Letter of Credit; Letter of Credit Amount. Should Tenant be required to provide a letter of credit to Landlord pursuant to the terms of Section 3.2(a) or Section 18.1(a), Tenant shall deliver to Landlord, as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer as a result of any breach or default by Tenant under this Lease, an irrevocable and unconditional negotiable standby letter of credit (the "Letter of Credit"), in a commercially reasonable form and containing the terms required herein, payable in the City of Portland, Oregon and providing for presentation of the Letter of Credit for draw purposes by facsimile, email or overnight delivery, running in favor of Landlord and issued by a bank with a long term issuer credit rating of "A-" or higher by Standard & Poor's or a comparable rating by Moody's or otherwise acceptable to Landlord in its sole discretion. The amount of the Letter of Credit shall be determined according to the credit rating (the "Credit Rating") of the person or entity required to provide the Letter of Credit (as applicable, the "LC Provider") under this Lease as follows: (a) Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00) if the LC Provider has a corporate credit rating which is equal to or greater than BBB+ but less than A-

according to Standard & Poor's or an equivalent rating from another recognized rating agency, (b) Five Million and 00/100 Dollars (\$5,000,000.00), if the LC Provider has a corporate credit rating which is less than BBB+ but greater than BB according to Standard & Poor's or an equivalent rating from another recognized rating agency or (c) Seven Million Five Hundred Thousand and 00/100 Dollars (\$7,500,000.00) if the LC Provider has a corporate credit rating which is less than or equal to BB according to Standard & Poor's or an equivalent rating from another recognized rating agency (as applicable, and as may be modified in accordance with the terms of this Lease, the "Letter of Credit Amount"). The initial Letter of Credit Amount shall be determined by the Credit Rating of the LC Provider at the time the LC Provider is first required to deliver the Letter of Credit. The Letter of Credit Amount shall be increased or decreased by the LC Provider, as applicable, to reflect the Credit Rating of the LC Provider as of the most recent Credit Rating prior to the commencement of each successive Lease Year thereafter. The issuing bank for the Letter of Credit shall be referred to herein as the "Bank". The Letter of Credit shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period from the date that Tenant is required to provide the Letter of Credit and continuing until the date (the "LC Expiration Date") that is ninety (90) days after the expiration of the Term, and Tenant shall deliver a new Letter of Credit or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the Letter of Credit then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings and (v) be otherwise subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the Letter of Credit if any of the following shall have occurred or be applicable: (1) such amount is due and owing to Landlord under the terms and conditions of this Lease, (2) Tenant has filed a voluntary petition under the U.S. Bankruptcy Code or any state bankruptcy code (collectively, the "Bankruptcy Code"), (3) an involuntary petition has been filed against Tenant under the Bankruptcy Code, (4) the Bank has notified Landlord that the Letter of Credit will not be renewed or extended through the LC Expiration Date and Tenant has not provided Landlord with a replacement Letter of Credit that satisfies the conditions of this Article 39 within thirty (30) days prior to the expiration thereof or (5) the long term rating of the Bank has been downgraded to BBB or lower (by Standard & Poor's) or Baa2 or lower (by Moody's) and Tenant has failed to deliver a new Letter of Credit from a bank with a long term issuer credit rating of A or higher (by Standard & Poor's) or a comparable rating by Moody's, and otherwise meeting the requirements set forth in this Article 39 within thirty (30) days following notice from Landlord. The Letter of Credit will be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the Letter of Credit. If, in accordance with the terms of this Article 39, Tenant delivers a new Letter of Credit to Landlord in accordance with the terms of this Article 39, which new Letter of Credit shall replace the existing Letter of Credit then held by Landlord hereunder, then Landlord, within five (5) Business Days after receiving the new Letter of Credit, shall return the existing Letter of Credit to Tenant, and Landlord's acceptance of the new Letter of Credit and subsequent return of the existing Letter of Credit shall be deemed to be a contemporaneous exchange.

39.2 Transfer of Letter of Credit by Landlord. The Letter of Credit shall also provide that Landlord, its successors and assigns, may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more

times) all or any portion of its interest in and to the Letter of Credit to another party, person or entity, as a part of the assignment by Landlord of its rights and interests in and to this Lease, either in connection with a sale of the Building or in connection with a financing of the Building; provided, however, any draw upon the Letter of Credit by such transferee shall be made in accordance with the terms of this Article 39 and any proceeds from such draw shall be used or applied by such transferee in accordance with the terms of this Article 39. In the event of a transfer of Landlord's interest in the Building, Landlord shall transfer the Letter of Credit to the transferee and upon transferee's assumption of the obligations under this Lease, Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the Letter of Credit to a new landlord. In connection with any such transfer of the Letter of Credit by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer, and Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith.

39.3 Maintenance of Letter of Credit by Tenant. If, as a result of any drawing by Landlord on the Letter of Credit, the amount of the Letter of Credit shall be less than the Letter of Credit Amount, Tenant shall, within ten (10) Business Days after written notice of deficiency, provide Landlord with additional letter(s) of credit, in an amount equal to the deficiency (or, at Tenant's option, an amendment to the Letter of Credit reinstating the face amount of the Letter of Credit to the Letter of Credit Amount), and any such additional letter(s) of credit shall comply with all of the provisions of this Article 39, and if Tenant fails to comply with the foregoing, notwithstanding anything to the contrary contained in Article 20 of this Lease, the same shall constitute a default by Tenant. Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the Letter of Credit expires earlier than the LC Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the Letter of Credit), which shall be irrevocable and automatically renewable as above provided through the LC Expiration Date upon substantially the same terms as the expiring Letter of Credit or such other terms as may be acceptable to Landlord in its sole discretion. However, if the Letter of Credit is not timely renewed, or if Tenant fails to maintain the Letter of Credit in the amount and in accordance with the terms set forth in this Article 39, Landlord shall have the right to present the Letter of Credit to the Bank in accordance with the terms of this Article 39, and the proceeds of the Letter of Credit may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or for any and all damages which Landlord is entitled to recover under this Lease or at Law resulting from a default by Tenant. Any unused proceeds shall constitute the property of Landlord and need not be segregated from Landlord's other assets. Landlord agrees to pay to Tenant within thirty (30) days after the LC Expiration Date the amount of any proceeds of the Letter of Credit received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or for any and all damages which Landlord is entitled to recover under this Lease or at Law resulting from a default; provided, however, that if prior to the LC Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of

Tenant's creditors under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused Letter of Credit proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. Landlord shall return the Letter of Credit to Tenant within ninety (90) days following the expiration or earlier termination of this Lease.

39.4 Landlord's Right to Draw Upon Letter of Credit. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the Letter of Credit upon the occurrence of any breach or default on the part of Tenant under this Lease. If Tenant shall breach any provision of this Lease or otherwise be in default hereunder, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the Letter of Credit, in part or in whole, to cure any breach or default of Tenant and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord is entitled to recover under this Lease or at Law resulting from Tenant's breach or default. The use, application or retention of the Letter of Credit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable Laws, it being intended that Landlord shall not first be required to proceed against the Letter of Credit, and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the Letter of Credit, either prior to or following a "draw" by Landlord of any portion of the Letter of Credit, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the Letter of Credit. No condition or term of this Lease shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner. Tenant agrees and acknowledges that (a) the Letter of Credit constitutes a separate and independent contract between Landlord and the Bank, (b) Tenant is not a third party beneficiary of such contract, (c) Tenant has no property interest whatsoever in the Letter of Credit or the proceeds thereof and (d) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the Letter of Credit and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

39.5 Letter of Credit Not a Security Deposit. Landlord and Tenant acknowledge and agree that in no event or circumstance shall the Letter of Credit or any renewal thereof or any proceeds thereof be (i) deemed to be or treated as a "security deposit" or (ii) intended to serve as a "security deposit". The parties hereto (A) recite that the Letter of Credit is not intended to serve as a security deposit and any Laws applicable to security deposits in the commercial context ("Security Deposit Laws") shall have no applicability or relevancy thereto and (B) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws.

#### ARTICLE 40 ADDITIONAL PROVISIONS

40.1 Successors. This Lease shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its permitted successors and assigns.

40.2 Severability. If any provision of this Lease is determined to be invalid or unenforceable, then that provision and the remainder of this Lease shall continue in effect and be enforceable to the fullest extent permitted by Law. It is the intention of the parties that if any provision of this Lease is capable of two constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

40.3 Integration. This Lease contains the entire integrated agreement between the parties as to the Premises, and supersedes any oral statements or representations or prior written matter not contained in this instrument. This Lease shall not be modified except by a written document signed by both parties.

40.4 Governing Law. This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Oregon.

40.5 No Waiver. Failure of either party to complain of any act or omission on the part of the other, no matter how long the same may continue, shall not constitute a waiver of any rights under this Lease. No waiver by either party of any breach of any provisions of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action of any party requires the consent or approval of the other, consent or approval given on one occasion shall not be deemed a consent to or approval of that action on any other occasion. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

40.6 Construction. Captions are solely for the convenience of the parties and are not a part of this Lease. This Lease shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it.

40.7 Time. Time is of the essence of every provision of this Lease.

40.8 Cumulative Remedies. The rights and remedies that either party may have under this Lease or at law or in equity, upon any breach, are distinct, separate and cumulative and shall not be deemed inconsistent with each other, and no one of them shall be deemed to be exclusive of any other.

40.9 Protest. If a dispute arises with respect to the performance of any obligation including an obligation to pay money, the party against which the obligation is asserted shall have the right to perform the obligation under protest. Performance of an obligation under protest shall not be regarded as voluntary performance. A party that has performed under protest shall have the right to institute a lawsuit to recover any amount paid or the reasonable cost of otherwise complying with the disputed obligation.

40.10 Execution; Binding Effect. This Lease shall not be effective or binding on the parties until it has been signed by both Landlord and Tenant.

40.11 Authority. Each party represents to the other that the person signing this Lease on its behalf is properly authorized to do so without any further consent or approval required from any other Person or governmental entity, and in the event this Lease is signed by an agent or other third party on behalf of Landlord, written authority to sign on behalf of Landlord in favor of the agent or third party shall be provided to Tenant either prior to or simultaneously with the return to Tenant of a fully executed copy of this Lease.

40.12 Force Majeure. Performance by Landlord or Tenant of their obligations under this Lease shall be extended by the period of delay caused by Force Majeure. “Force Majeure” includes, without limitation, war, natural catastrophe, casualty, strikes, walkouts or other labor disturbance, order of any government, non-customary delays in receipt of permits or any governmental approvals in excess of customary time periods in Portland, Oregon (except with respect to the Permit Milestone), adverse weather conditions, lockouts, fire, earthquake, unknown subsurface conditions, lack of available materials or adequate substitutes therefor, court or regulatory body exercising jurisdiction in an adverse manner over the Land, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the party who is obligated to render performance (but excluding financial inability to perform, however caused). If adverse weather conditions are the basis for a Force Majeure claim for additional time, such claim shall be valid only to the extent documented by data substantiating that weather conditions were (1) abnormal (as defined below) for the period of time, (2) had an adverse effect on the scheduled construction and (3) with respect to Landlord’s Work only, had an adverse effect on the scheduled construction by more than ten (10) days in the aggregate. “Abnormal” weather shall, for purposes of this definition, be limited to circumstances in which adverse weather conditions significantly exceed those which have historically been encountered, or may reasonably be expected to be encountered, at the Land. Solely with respect to the determination of whether Landlord satisfies the Permit Milestone (as defined in Exhibit E), Force Majeure shall not include any delays in receipt of permits or any governmental approvals.

40.13 Attorneys’ Fees. If legal proceedings are initiated to enforce any term of this Lease, to recover any Rent due under this Lease, for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to Landlord and/or eviction of Tenant, the prevailing party shall be entitled to recover, as an element of its cost of suit and not as damages, reasonable attorneys’ fees and costs to be fixed by the court or arbitrator.

40.14 Joint and Several Liability. If Tenant comprises more than one person, corporation, partnership or other entity, the liability hereunder of all such persons, corporations, partnerships or other entities shall be joint and several.

40.15 Financial Statements. Upon Landlord’s written request therefor, but not more often than two (2) times per year, Tenant shall promptly furnish to Landlord its financial statements for its most recent fiscal quarter and fiscal year prepared in accordance with GAAP and certified by a firm of nationally recognized certified public accountants as fairly presenting the financial condition of Tenant and the results of its operations for the previous fiscal quarter or previous fiscal year, which statement Landlord agrees to keep confidential and not use except in connection with Landlord’s administration and monitoring of

this Lease and any proposed sale, loan or other transactions related to the Building. Notwithstanding the foregoing, for so long as Tenant's (but not any Affiliate of Tenant's) stock is publicly traded on a nationally recognized stock exchange and Tenant's financial statements are publicly filed, the foregoing requirement shall be inapplicable to Tenant.

40.16 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

40.17 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

40.18 Tax Status of Beneficial Owner. Tenant recognizes and acknowledges that Landlord and/or certain beneficial owners of Landlord may from time to time qualify as real estate investment trusts pursuant to Sections 856, et seq. of the Internal Revenue Code and that avoiding (a) the loss of such status, (b) the receipt of any income derived under any provision of this Lease that does not constitute "rents from real property" (in the case of real estate investment trusts) and (c) the imposition of income, penalty or similar taxes (each, an "Adverse Event") is of material concern to Landlord and such beneficial owners. In the event that this Lease or any document contemplated hereby could, in the opinion of counsel to Landlord, result in or cause an Adverse Event, Tenant agrees to reasonably cooperate with Landlord in negotiating an amendment or modification thereof and shall at the request of Landlord execute and deliver such documents reasonably required to effect such amendment or modification. Any amendment or modification pursuant to this Section 40.18 shall be structured so that the economic results to Landlord and Tenant are the same as those set forth in this Lease without regard to such amendment or modification and Tenant's rights, interests and obligations under the Lease will not be materially and adversely affected by such amendment or modification. Without limiting any of Landlord's other rights under this Section 40.18, Landlord may waive the receipt of any amount payable to Landlord hereunder and such waiver shall constitute an amendment or modification of this Lease with respect to such payment. Tenant expressly covenants and agrees not to enter into any Transfer which provides for rental or other payment for such use, occupancy, or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied, or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported Transfer shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy, or utilization of any part of the Premises.

[SIGNATURE AND NOTARY PAGES FOLLOW]

[SIGNATURE AND NOTARY PAGES]

IN WITNESS WHEREOF, Landlord and Tenant execute this Lease as of the dates set forth below.

**LANDLORD:**

THIRD AND TAYLOR OFFICE OWNER, LLC,  
a Delaware limited liability company

Date: October 10, 2017

By: Walter P. Schmidt  
Name: Walter P. Schmidt  
Title: Authorized Signatory

**TENANT:**

NORTHWEST NATURAL GAS COMPANY,  
an Oregon corporation

Date: October \_\_, 2017

By: \_\_\_\_\_  
Name: David Anderson  
Title: President



[SIGNATURE AND NOTARY PAGES]

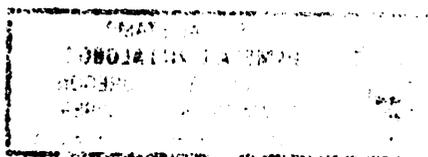
IN WITNESS WHEREOF, Landlord and Tenant execute this Lease as of the dates set forth below.

**LANDLORD:**

THIRD AND TAYLOR OFFICE OWNER, LLC,  
a Delaware limited liability company

Date: October \_\_, 2017

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**TENANT:**

NORTHWEST NATURAL GAS COMPANY,  
an Oregon corporation

Date: October 9, 2017

By:   
Name: David Anderson  
Title: President

Tenant's Notary Page

STATE OF OREGON                    )  
  ) ss.  
County of Multnomah                )

The foregoing instrument was acknowledged before me this 9th day of October, 2017, by David Anderson, the President & CEO of Northwest Natural Gas Company, an Oregon corporation.

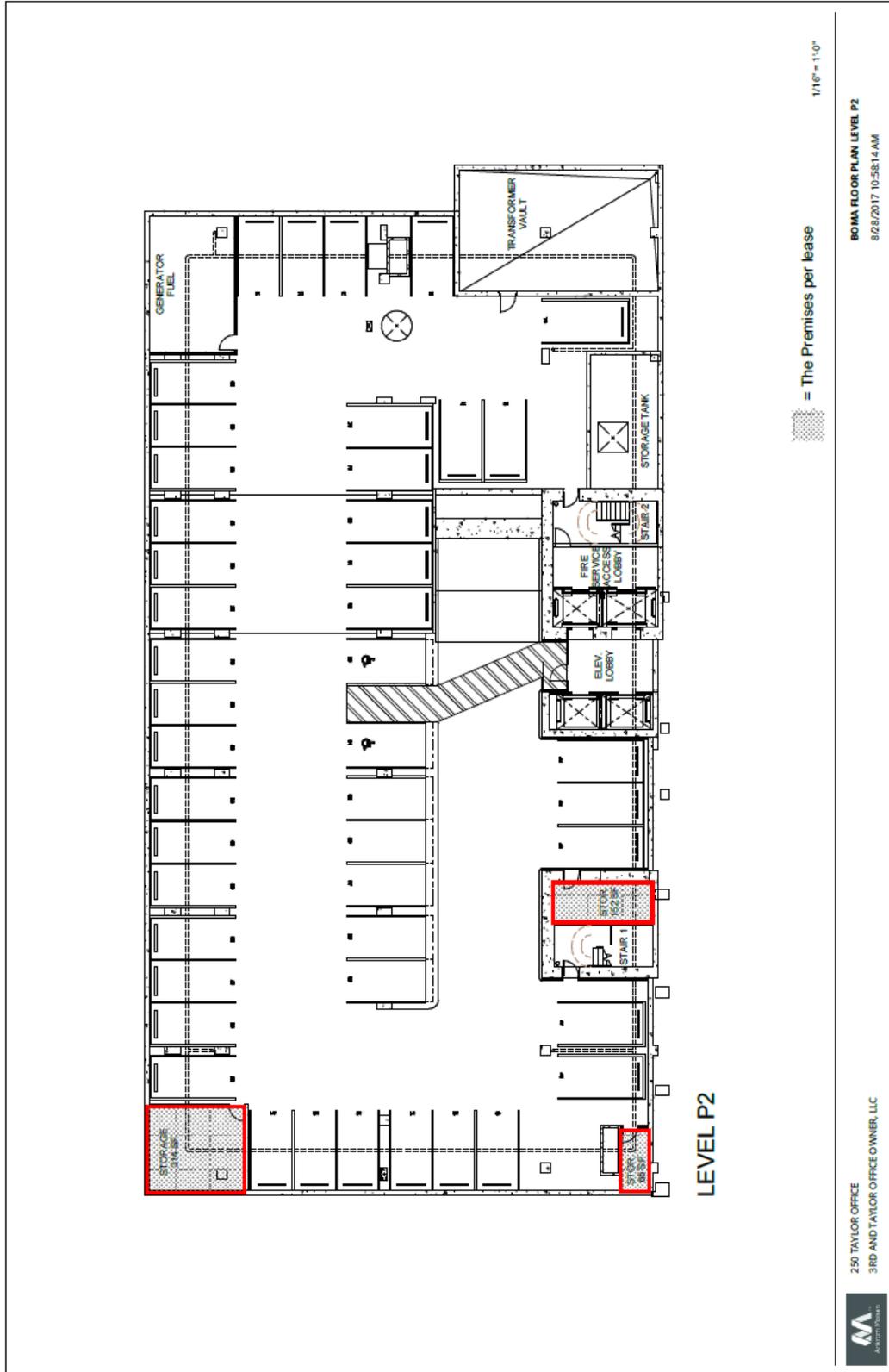
Pamela L. Villalobos  
Notary Public  
My commission expires: October 8, 2018



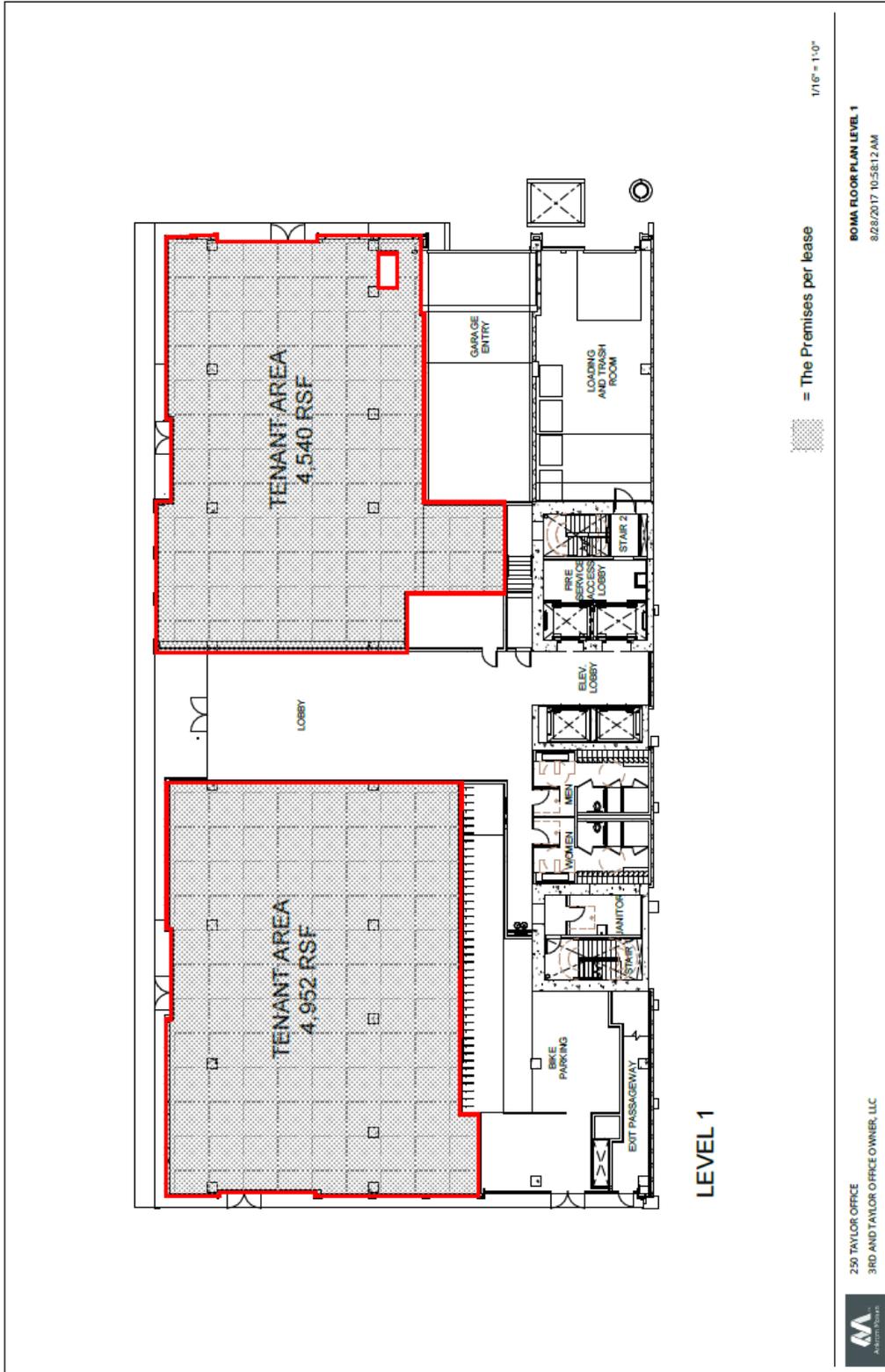
Exhibit A

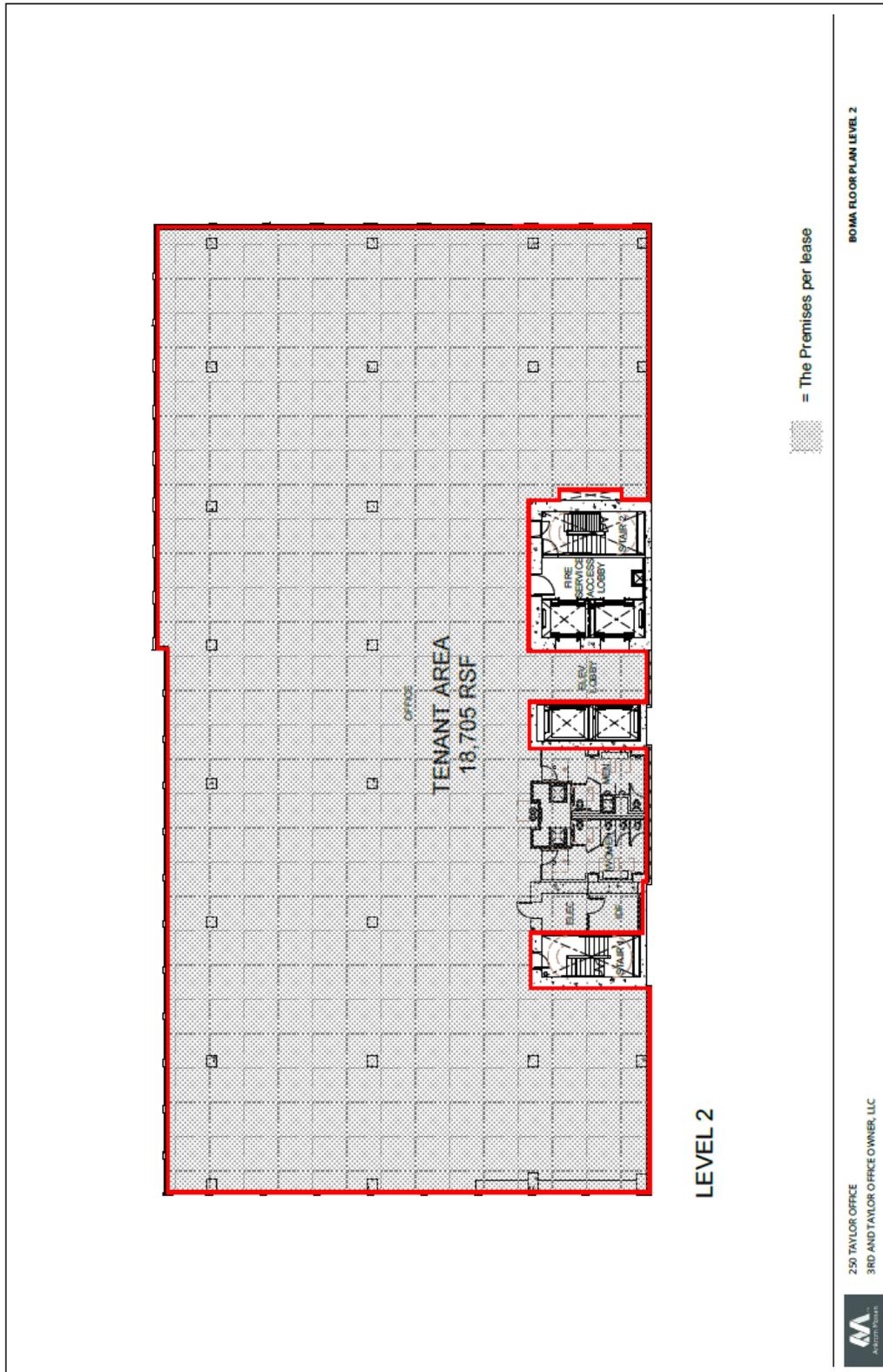
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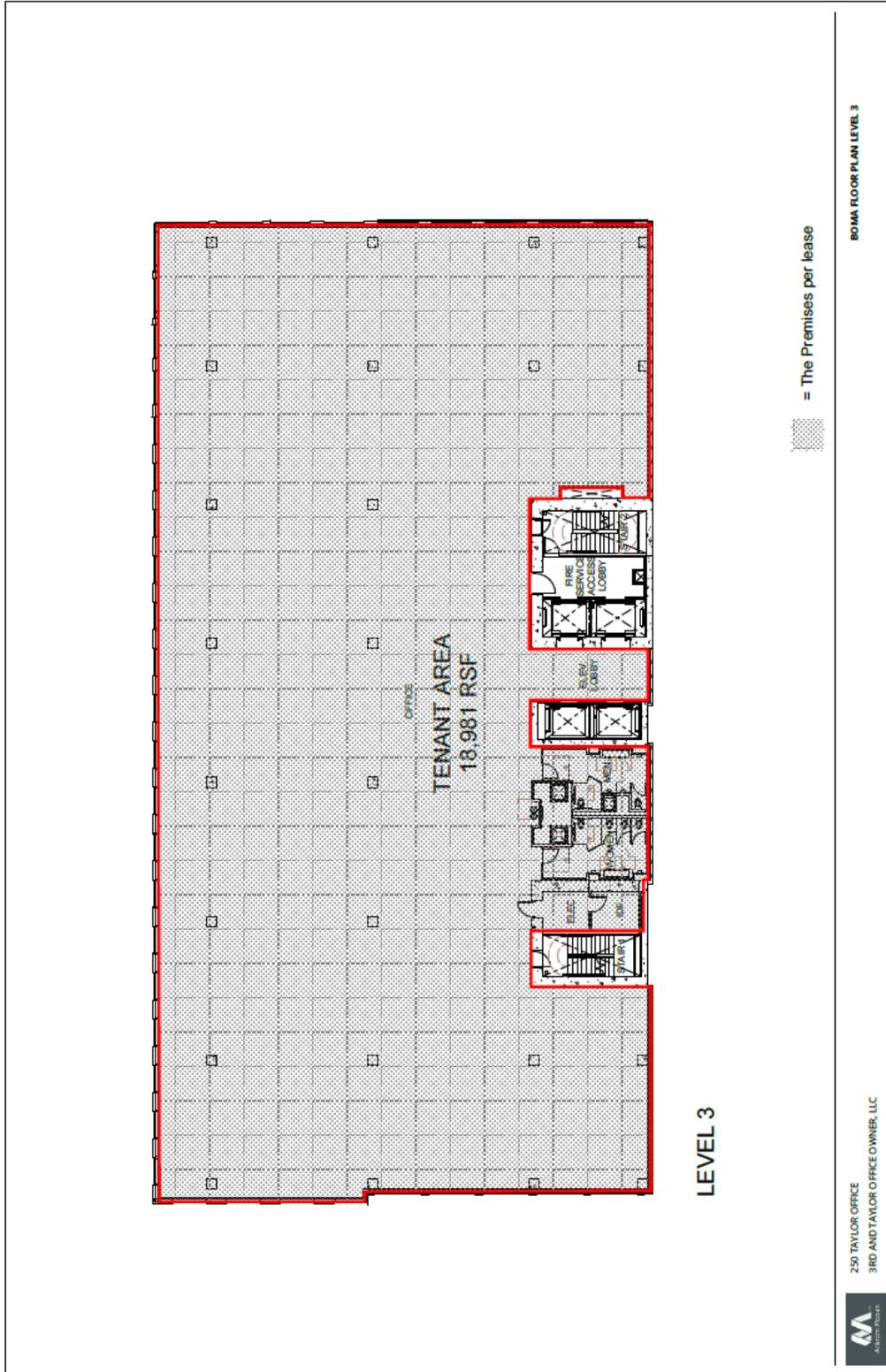
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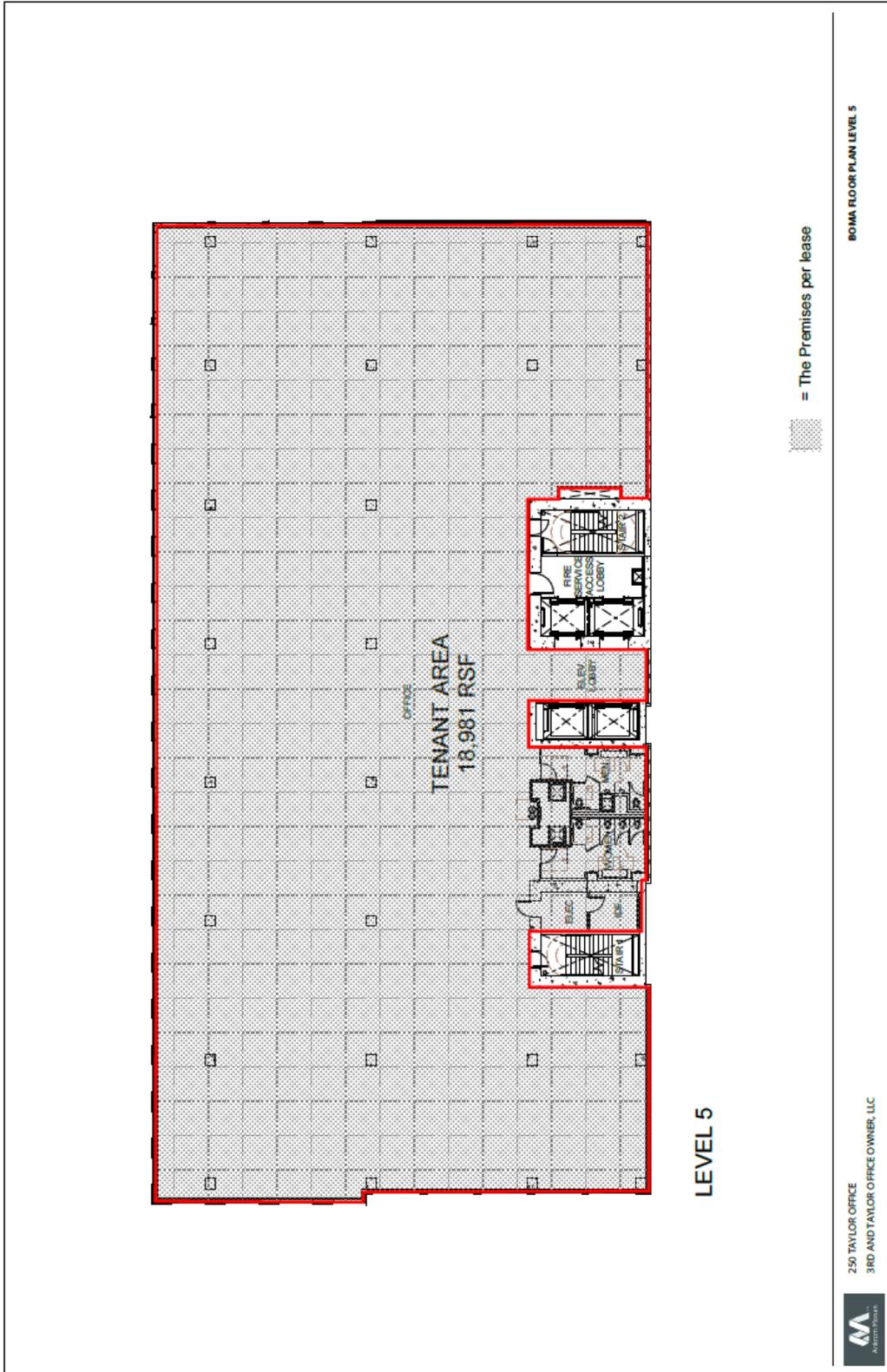


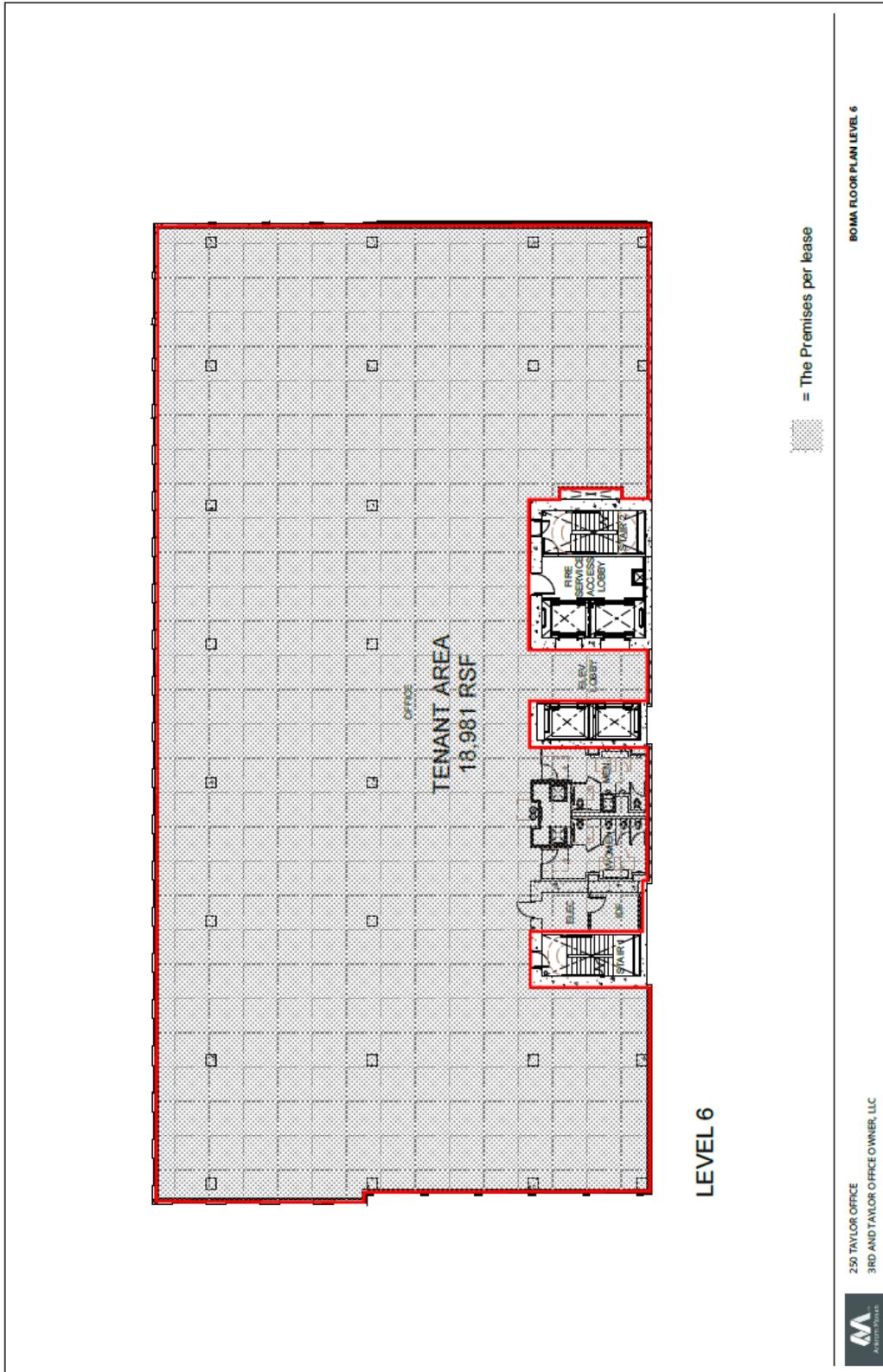


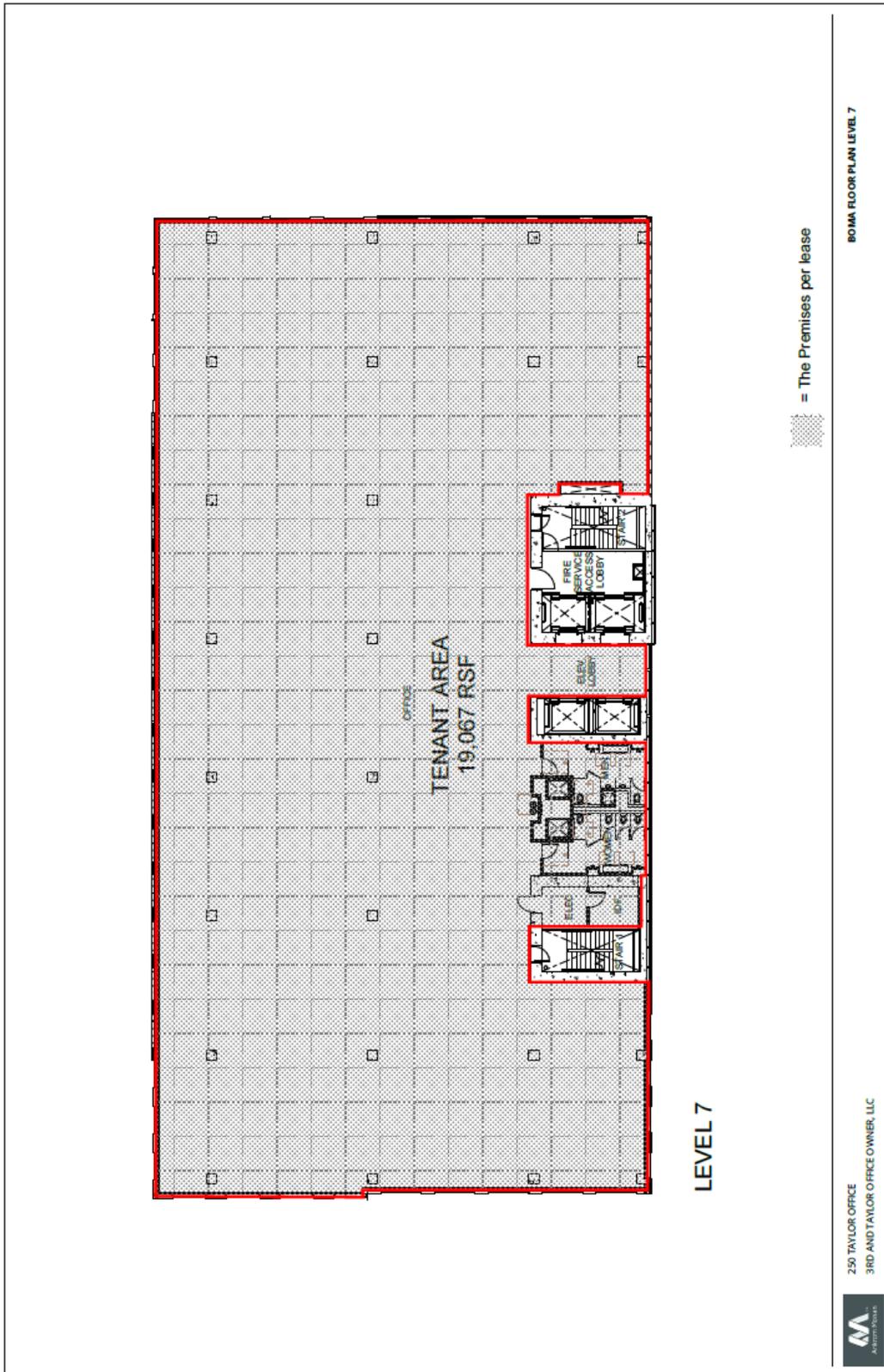






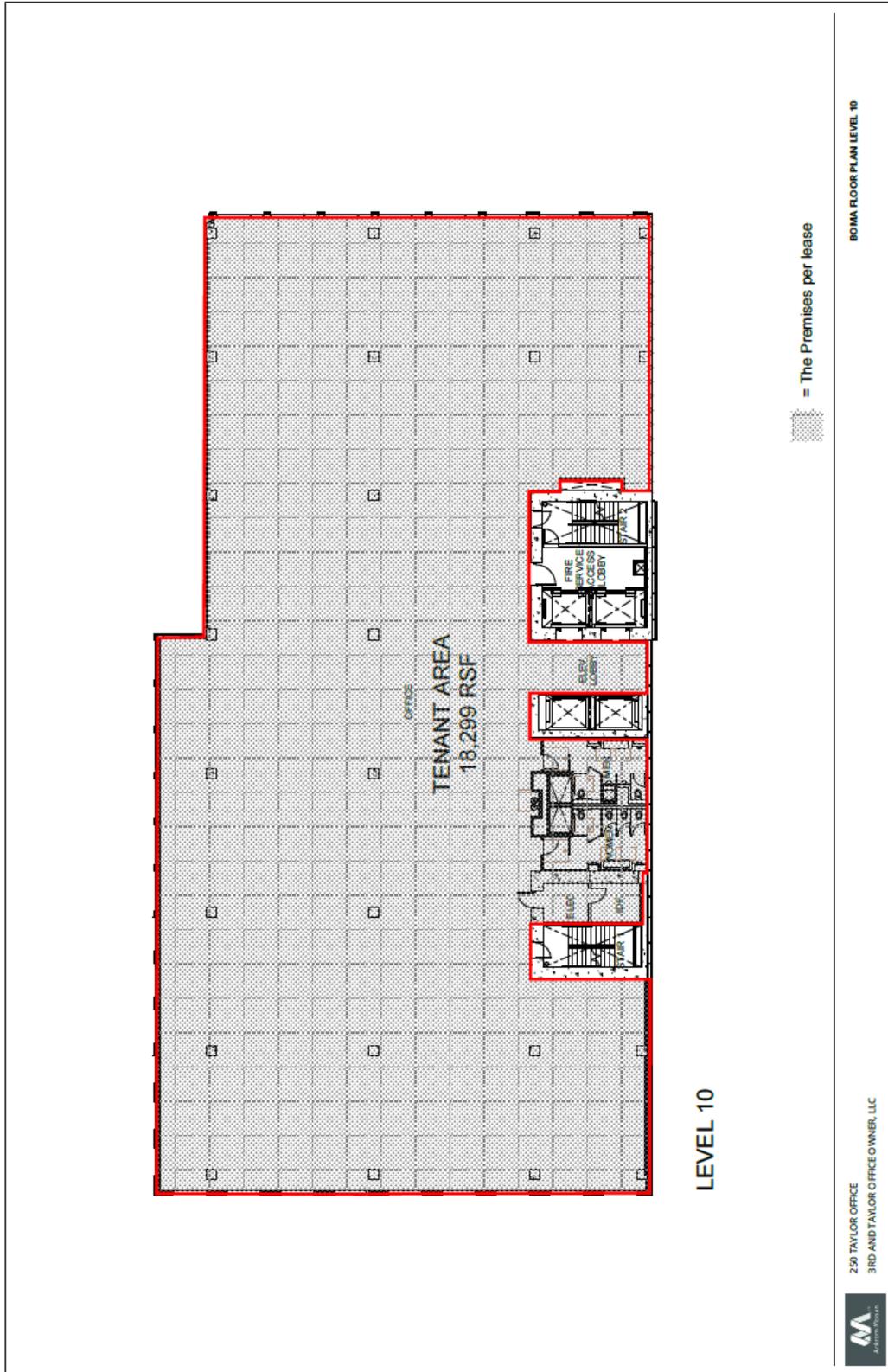












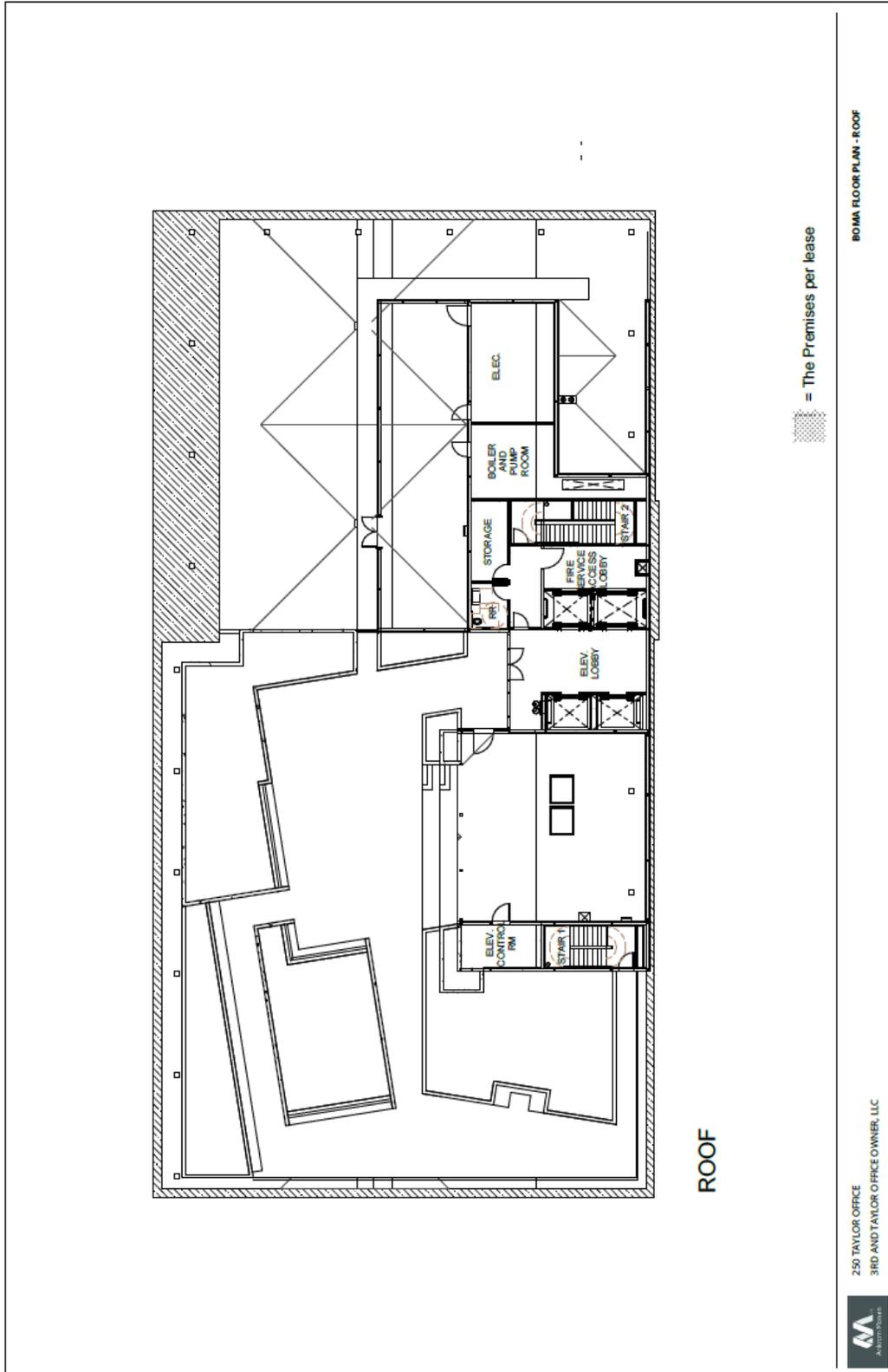


Exhibit B

LAND

The real property situated in the County of Multnomah, State of Oregon, described as follows:

PARCEL I:

The Easterly 75 feet of Lots 1 and 2, Block 23, Portland, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM that portion lying within the boundaries of SW 2nd Avenue.

PARCEL II:

Lots 7 and 8 and the Westerly 20 feet of Lots 1 and 2, Block 23, Portland, in the City of Portland, County of Multnomah and State of Oregon

Exhibit C

COMMENCEMENT CERTIFICATE

This Certificate is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ pursuant to that certain Lease Agreement dated October [\_\_\_\_], 2017 (the "Lease") by and between THIRD AND TAYLOR OFFICE OWNER, LLC, a Delaware limited liability company, as Landlord and NORTHWEST NATURAL GAS COMPANY, an Oregon corporation, as Tenant.

The undersigned hereby certify to and agree with each other as to the following information in connection with the Lease as set forth below. Capitalized Terms not otherwise defined herein have the meanings set forth in the Lease.

1. The Commencement Date is \_\_\_\_\_, 20\_\_. Accordingly, the Initial Term of the Lease expires on \_\_\_\_\_, 20\_\_.
2. The Building Rentable Area is \_\_\_\_\_ (\_\_\_\_) square feet.
3. The Premises Rentable Area is \_\_\_\_\_ (\_\_\_\_) square feet.
4. The Premises Base Rent for the first Lease Year is \_\_\_\_\_ (\_\_\_\_) on an annual basis and \_\_\_\_\_ (\_\_\_\_) on a monthly basis.
5. The Storage Base Rent for the first Lease Year is \_\_\_\_\_ (\_\_\_\_) on an annual basis square feet and \_\_\_\_\_ (\_\_\_\_) on a monthly basis.
6. Tenant's address for Notices is: \_\_\_\_\_.
7. Tenant's address for Billing is: \_\_\_\_\_.

IN WITNESS WHEREOF, intending to confirm the above matters, Landlord and Tenant execute this Commencement Certificate as of the date first written above.

**LANDLORD:**

THIRD AND TAYLOR OFFICE OWNER, LLC  
a Delaware limited liability company

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

NORTHWEST NATURAL GAS COMPANY,  
an Oregon corporation

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: David Anderson  
Title: President

Exhibit D

CURRENTLY EXISTING TENANT AFFILIATES

NNG Financial Corporation  
Northwest Energy Corporation  
NW Natural Energy, LLC  
Northwest Biogas, LLC  
KB Pipeline Company  
Northwest Energy Sub Corporation  
NWN Gas Reserves LLC  
NW Natural Gas Storage, LLC  
Gill Ranch Storage, LLC  
Trail West Holdings, LLC  
Trail West Pipeline, LLC

Exhibit E

LANDLORD'S WORK

1. Landlord's Obligation to Construct Building. Landlord shall construct the Building at Landlord's sole cost and expense in accordance with the Final Permitted Plans (as such term is defined below), the Base Building Specifications set forth in Exhibit G and including the Premises Internal Stairs Obligation (as defined below) (collectively, "Landlord's Work"), in compliance with all Laws. Landlord has submitted or has had prepared to be submitted to the City of Portland (the "City") for approval construction drawings to obtain the building permit for shoring, excavation and construction of core and shell for Landlord's Work (the "Building Permit"). Such construction drawings are referenced in Exhibit F (the "Permit Submittal Plans"). Tenant acknowledges and agrees that Tenant shall have no right to change or alter the Permit Submittal Plans and/or the Final Permitted Plans, it being understood and agreed that Landlord shall have the sole right to prepare and modify, as Landlord reasonably deems appropriate or desirable, the Permit Submittal Plans and the Final Permitted Plans, subject to the provisions of Section 2 below. The term "Premises Internal Stairs Obligation" means Landlord's obligation to provide penetrations, embeds, and all associated structural engineering for three (3) communicating stairs within the Premises. The locational and dimensional requirements of the stairs will be identified during the schematic design of Tenant's Work. The penetrations shall be limited to a standard rectangular or square shape.

2. Changes to Plans. Tenant acknowledges that the Permit Submittal Plans may be supplemented to provide further construction details and that if the Building Permit is issued in accordance with the Permit Submittal Plans then such Building Permit shall satisfy the Permit Milestone. As used herein, "Final Permitted Plans" means the Permit Submittal Plans as supplemented and modified as necessary to obtain the Building Permit. Except for revisions to the Permit Submittal Plans that are necessary to obtain the Building Permit (including modifications or revisions that may be required by City officials or inspectors to comply with code rulings or interpretations), Landlord shall not modify the Permit Submittal Plans without Tenant's approval, which approval Tenant shall not unreasonably withhold. Within five (5) Business Days, Tenant shall approve or reasonably disapprove any proposed change to the Permit Submittal Plans submitted to Tenant. If Tenant does not disapprove the proposed revisions to the Permit Submittal Plans within such five (5) Business Day period, then Tenant shall be deemed to have approved the same. If Tenant reasonably disapproves any change, Tenant shall provide to Landlord a statement of Tenant's reasons for disapproval and/or specifying in reasonable detail any required corrections or revisions. Any further revisions to such change after Tenant's initial disapproval shall be approved or disapproved by Tenant within three (3) Business Days after receipt of such revisions or corrections. Notwithstanding the foregoing, Landlord shall not be required to obtain Tenant's consent for any change to the Permit Submittal Plans and/or Final Permitted Plans if such change (1) is required by applicable Laws, (2) is due to concealed or unknown physical conditions that are encountered at the Land, (3) is consistent with the design intent of the Permit Submittal Plans and/or Final Permitted Plans or (4) is a minor "field change", meaning a change that does not, in any material respect, reduce the leaseable area of the Premises or modify the general layout of the Premises, or does not involve the use of materials that will not be at least substantively equal or better in quality to the

materials originally specified in or required by the Permit Submittal Plans and/or Final Permitted Plans.

3. LEED. The Permit Submittal Plans and the Base Building Specifications shall include such elements as are necessary for the Building to meet LEED Gold certification. On or before the Commencement Date, Landlord shall cause Landlord's architect to provide Tenant a certification that the Building (exclusive of Tenant's Work) was designed to meet LEED Gold standards. Landlord shall deliver to Tenant a copy of the LEED Gold certificate within one (1) year after the Commencement Date (or if more than one (1) year is required to obtain the LEED Gold certification, then such additional time as may be necessary if Landlord is diligently pursuing the steps necessary to obtain such LEED Gold certification).

4. Milestones. Landlord acknowledges the critical importance to Tenant of the timely performance of Landlord's Work and therefore Landlord and Tenant establish the following Landlord milestone obligations (each, a "Milestone"):

(a) Issuance of the Building Permit on or before May 1, 2018 (the "Permit Milestone");

(b) Landlord's completion of Tenant Delivery Status (as such term is defined below) on or before November 1, 2019 (the "Tenant Delivery Milestone"); and

(c) Substantial Completion of Landlord's Work (the "Landlord's Work Substantial Completion Milestone"): (i) on or before May 1, 2020 if Landlord meets the Tenant Delivery Milestone or (ii) on or before November 1, 2020 if Landlord does not meet the Tenant Delivery Milestone.

Each Milestone shall be extended due to Force Majeure Delay and Tenant Delay (each as defined below).

On or before each of the Milestones set forth above, Landlord shall provide Tenant written notice that Landlord has either satisfied or not satisfied the applicable Milestone (in each case, the "Milestone Determination Notice"). If Landlord fails to give Tenant a Milestone Determination Notice on or before the applicable Milestone set forth above, then Landlord shall be deemed to have notified Tenant that Landlord has determined it has met the applicable Milestone. Tenant shall have ten (10) Business Days from (i) Tenant's receipt of any Milestone Determination Notice or (ii) if Landlord fails to deliver a Milestone Determination Notice, the date of the applicable Milestone set forth above, to dispute by written notice to Landlord (the "Milestone Achievement Dispute Notice") that Landlord has in fact achieved the applicable Milestone. If Tenant does not timely issue to Landlord a Milestone Achievement Dispute Notice, Tenant shall be deemed to have concurred with Landlord's determination or deemed determination that Landlord met the applicable Milestone. If Tenant timely issues a Milestone Achievement Dispute Notice, the determination of whether Landlord in fact timely achieved the applicable Milestone (including if necessary a determination of the length of time and applicability of any purported Tenant Delay and/or Force Majeure Delay) shall be decided by arbitration pursuant to Article 33 of the Lease; provided, however, that such arbitration determination shall be made on an expedited basis with the arbitration determination made no

later than forty-five (45) days after Tenant issued to Landlord its Milestone Achievement Dispute Notice; provided, further, that if the arbitration is not determined within forty-five (45) days the parties shall continue to use commercially reasonable best efforts to complete the arbitration promptly thereafter. Tenant acknowledges and agrees that its sole and exclusive remedies for the failure of any Milestone to occur shall be as set forth in this Exhibit E, and that such remedies represent fair, reasonable and appropriate remedies in light of the anticipated or actual harm to Tenant caused by Landlord's failure to timely achieve the Milestones hereunder.

If the Permit Milestone is not achieved by May 1, 2018, subject to extension by virtue of Force Majeure Delay and/or Tenant Delay, Tenant shall have the right to terminate the Lease upon written notice given not later than ten (10) Business Days thereafter. Any such termination shall be subject to a final determination pursuant to the arbitration set forth above that Landlord has failed to satisfy the Permit Milestone if Tenant has delivered a Milestone Achievement Dispute Notice with respect thereto. Upon any such termination of this Lease due to the failure of the Permit Milestone to timely occur, Landlord and Tenant shall be relieved from any and all liability to each other resulting hereunder except that Landlord shall pay to Tenant not later than thirty (30) days after Tenant's termination of the Lease as Tenant's sole and exclusive remedy for Tenant's termination of the Lease Tenant's architectural fees incurred by Tenant in connection with this Lease up to but in no event exceeding Three Hundred Thousand and 00/100 Dollars (\$300,000.00). Should the Permit Milestone be satisfied prior to Tenant's exercise of the foregoing termination right, however, such termination right shall, in such event, expire and be of no further force or effect upon completion of the Permit Milestone.

If the Tenant Delivery Milestone has not occurred on or before November 1, 2019, subject to extension by virtue of Force Majeure Delay and/or Tenant Delay, and provided Tenant exercises the Current Lease Extension, then Landlord shall reimburse Tenant for the prorated portion of the rent (using the amounts set forth below) owed for the six (6) month extension period which is after the date upon which (x) Tenant has fully vacated the Current Premises and (y) the Rent Commencement Date has occurred under this Lease ("Landlord's Late Delivery Reimbursement Obligation"). For example: if (i) Landlord does not meet the Tenant Delivery Milestone on or before November 1, 2019, (ii) Tenant exercises the Current Lease Extension, (iii) the Rent Commencement Date under this Lease is August 1, 2020 and (iv) Tenant fully vacates the Current Premises on or before August 1, 2020, then Landlord shall reimburse Tenant a total of \$1,532,945.84, of which \$1,499,217.52 is the base rent and \$33,728.32 is the operating expense obligation, for the period August 1, 2020 through and including November 30, 2020. The scheduled base rent obligations under Tenant's Current Lease for the six (6) month extension is Three Hundred Seventy-Four Thousand Eight Hundred Four and 38/100 Dollars (\$374,804.38) per month. Tenant's monthly operating expense obligation under Tenant's Current Lease for the six (6) month extension is deemed for the purposes hereof to be \$8,432.08. Landlord shall pay Tenant for Landlord's Late Delivery Reimbursement Obligation on a monthly basis within thirty (30) days from Landlord's receipt of an invoice from Tenant for the same. In addition, if Tenant exercises the Current Lease Extension (whether at its own election or at the direction of Landlord) but Landlord does not meet Landlord's Work Substantial Completion Milestone on or before December 1, 2020, then Landlord shall be obligated to reimburse Tenant for its actual damages incurred from and after December 1, 2020 through and including the Rent Commencement Date due to the failure to meet Landlord's Work Substantial Completion Milestone on or before December 1, 2020, subject to extension by virtue of Force Majeure Delay

and Tenant Delay; provided that Landlord shall not be liable to Tenant in any event and under any theory for damages incurred from and after December 1, 2020 in excess of Three Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$3,750,000.00).

In the event that Landlord meets the Tenant Delivery Milestone, Tenant does not exercise the Current Lease Extension (whether at its own election or at the direction of Landlord), and Landlord does not meet Landlord's Work Substantial Completion Milestone on or before June 1, 2020, then Landlord shall be obligated to reimburse Tenant for its actual damages incurred from and after June 1, 2020 through and including the Rent Commencement Date due to the failure to meet Landlord's Work Substantial Completion Milestone on or before June 1, 2020, subject to extension by virtue of Force Majeure Delay and Tenant Delay; provided that Landlord shall not be liable to Tenant in any event and under any theory for damages in excess of Three Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$3,750,000.00).

5. Definitions for Terms Used in Exhibit E. The following terms have the meanings given below:

(a) The term "Substantial Completion of Landlord's Work" means that all Landlord's Work shall have been substantially completed, subject to typical punch list items, and shall have been inspected and approved by the appropriate authorities as evidenced by a temporary certificate of occupancy or other governmental sign off for the Building, and (i) Tenant has uninterrupted access to the Premises with all elevators described in the Base Building Specifications in full service, (ii) mechanical, plumbing, electrical, conveying and sprinkler systems (installed and tested as per specifications) set forth in the Permit Submittal Plans and as may be further described in the Base Building Specifications shall have been substantially completed such that the appropriate services to be rendered by such systems can be and are being supplied and such systems are fully operational; (iii) the entrance and lobby of the Building shall have been substantially completed and the means of ingress and egress are not materially interfered with by any scaffolding, building materials, or other articles; and (iv) the Parking Garage has been completed and made available to Tenant in accordance with this Lease, in each case of (i) through (iv) subject to typical punch list items.

(b) The term "Tenant Delay" means (i) the failure of Tenant to timely approve or disapprove any matter requiring Tenant's approval relating to the construction of the Building; or (ii) unreasonable (when judged in accordance with industry custom and practice) interference by Tenant, its agents or Tenant Parties with the performance of Landlord's Work and which objectively delays the performance of Landlord's Work. For Landlord to claim Tenant Delay, Landlord shall provide Tenant written notice of its claim of Tenant Delay, which claim shall: (a) identify the number of days of Tenant Delay that Landlord claims, and (b) set forth the specific facts that form the basis of Landlord's claim of Tenant Delay and how these facts impact the critical path of Landlord's Work.

(c) The term "Force Majeure Delay" means any delay resulting from a Force Majeure event.

(d) The term "Current Landlord" means Menlo Properties LLC, or any successor landlord under the Current Lease.

(e) The term “Current Lease” means the certain One Pacific Square Office Lease dated June 11, 1991 by and between Tenant and Pacific Square Associates as the original named landlord, as such lease has been amended from time to time prior to the Execution Date. The term “Current Lease” shall exclude any amendments or modifications thereto following the Execution Date and/or any amendments or modifications that were not disclosed to Landlord prior to the Execution Date.

(f) The term “Tenant Delivery Status” means (i) that the Building has been structurally completed, (ii) the Building’s exterior skin systems are complete enough such that the Building can be made weather protected, (iii) Tenant’s Contractor (as defined in Exhibit L) has access to all floors for the construction of Tenant’s Work, (iv) Tenant’s Contractor has use of either a construction lift or at least one Building elevator, (v) Tenant’s Contractor has access to utilities sufficient for the construction of Tenant’s Work, and (vi) the Building’s mechanical, electrical and life safety systems are sufficiently installed such that Tenant’s Contractor can construct Tenant’s Work.

(g) The term “Current Premises” means the premises leased by Tenant from Current Landlord pursuant to the Current Lease.

(h) The term “Current Lease Extension” means the six (6) month extension of the Current Lease to a termination date of November 30, 2020 to which Tenant is entitled pursuant to the terms of the Current Lease.

6. Tenant’s Construction Representative. Tenant hereby appoints Mardilyn Saathoff and Steve Walti to act on its behalf and represent its interests with respect to all matters requiring Tenant action in this Exhibit E. No consent, authorization or other action by Tenant with respect to matters set forth in this Exhibit E shall bind Tenant unless in writing and signed by one of the aforementioned persons. Landlord hereby expressly recognizes and agrees that no other person claiming to act on behalf of Tenant is authorized to do so. If Landlord complies with any request or direction presented to it by anyone else claiming to act on behalf of Tenant, such compliance shall be at Landlord’s sole risk and responsibility and shall not in any way alter or diminish the obligations and requirements created and imposed by this Article, and Tenant shall have the right to enforce compliance with this Article without suffering any waiver, dilution or mitigation of any of its rights hereunder.

7. Landlord’s Direction to Extend Current Lease. Tenant shall exercise the six (6) month extension of the Current Lease if requested by Landlord to do so by written notice (the “Current Lease Extension Notice”) on or before November 18, 2019. If Landlord timely delivers the Current Lease Extension Notice and Tenant fails to timely exercise the six (6) month extension of the Current Lease, then Landlord shall not be liable to Tenant for actual damages resulting from Landlord’s failure to meet Landlord’s Work Substantial Completion Milestone for the period prior to December 1, 2020 in excess of the amounts described in Landlord’s Late Delivery Reimbursement Obligation for the period prior to December 1, 2020.

Exhibit F

PERMIT SUBMITTAL PLANS

“250 Taylor Office GMP Set R2 dated 8/18/17 Volume 1 & 2 dated 8/18/17” prepared by Ankrom Moisan, incorporated herein by this reference as if attached hereto in their entirety.

Exhibit G

BASE BUILDING SPECIFICATIONS

“Third and Taylor Office, Project Manual GMP Set R2 dated 8/18/17” prepared by Ankrom Moisan, incorporated herein by this reference as if attached hereto in their entirety.

Exhibit H

INTENTIONALLY DELETED

Exhibit I

PREMISES BASE RENT

Start	End	SF	Rent PSF	Annual Rent	Monthly Rent
6/1/2020	5/31/2021	178,851	\$33.95	\$6,071,991.45	\$505,999.29
6/1/2021	5/31/2022	178,851	\$34.80	\$6,223,791.24	\$518,649.27
6/1/2022	5/31/2023	178,851	\$35.67	\$6,379,386.02	\$531,615.50
6/1/2023	5/31/2024	178,851	\$36.56	\$6,538,870.67	\$544,905.89
6/1/2024	5/31/2025	178,851	\$37.47	\$6,702,342.43	\$558,528.54
6/1/2025	5/31/2026	178,851	\$38.41	\$6,869,901.00	\$572,491.75
6/1/2026	5/31/2027	178,851	\$39.37	\$7,041,648.52	\$586,804.04
6/1/2027	5/31/2028	178,851	\$40.36	\$7,217,689.73	\$601,474.14
6/1/2028	5/31/2029	178,851	\$41.36	\$7,398,131.98	\$616,511.00
6/1/2029	5/31/2030	178,851	\$42.40	\$7,583,085.28	\$631,923.77
6/1/2030	5/31/2031	178,851	\$43.46	\$7,772,662.41	\$647,721.87
6/1/2031	5/31/2032	178,851	\$44.55	\$7,966,978.97	\$663,914.91
6/1/2032	5/31/2033	178,851	\$45.66	\$8,166,153.44	\$680,512.79
6/1/2033	5/31/2034	178,851	\$46.80	\$8,370,307.28	\$697,525.61
6/1/2034	5/31/2035	178,851	\$47.97	\$8,579,564.96	\$714,963.75
6/1/2035	5/31/2036	178,851	\$49.17	\$8,794,054.08	\$732,837.84
6/1/2036	5/31/2037	178,851	\$50.40	\$9,013,905.44	\$751,158.79
6/1/2037	5/31/2038	178,851	\$51.66	\$9,239,253.07	\$769,937.76
6/1/2038	5/31/2039	178,851	\$52.95	\$9,470,234.40	\$789,186.20
6/1/2039	5/31/2040	178,851	\$54.27	\$9,706,990.26	\$808,915.85

The above chart assumes that the Rent Commencement Date is June 1, 2020. If the Rent Commencement Date is after June 1, 2020, the dates set forth above shall be adjusted to reflect the actual dates.

The Base Rent shall be abated commencing upon (and continuing until the abatement amount is exhausted) the Rent Commencement Date by an amount equal to One Million Four Hundred Ninety-Nine Thousand Two Hundred Seventeen and 52/100 Dollars (\$1,499,217.52). Notwithstanding the foregoing, if and to the extent that Substantial Completion of Landlord's Work does not occur on or before February 1, 2020 (as such date may be extended for Force Majeure Delay and Tenant Delay, the "Credit Date Deadline") the foregoing Base Rent credit shall be increased by the amount of One Hundred Thirty-One Thousand One Hundred Ninety-Four and 91/100 Dollars (\$131,194.91) per month for the period (calculated on a daily basis) between the Credit Date Deadline and the date of such Substantial Completion of Landlord's Work, not to exceed an additional amount of Five Hundred Twenty-Four Thousand Seven Hundred Seventy-Nine and 64/100 Dollars (\$524,779.64), the intent being to provide Tenant with a credit against Base Rent for up to four (4) months total, with the amount of the credit dependent upon the date of Substantial Completion of Landlord's Work.

Exhibit J

RULES AND REGULATIONS

(1) Nothing shall be attached to the outside walls of the Building. Other than Building standard blinds, no curtains, blinds, shades, screens or other obstructions shall be attached to or hung in or used in connection with any exterior window or entry door of the Premises, without the prior consent of Landlord.

(2) No sign, advertisement, notice or other lettering visible from the exterior of the Premises shall be exhibited, inscribed, painted or affixed to any part of the Premises without the prior written consent of Landlord. All lettering on exterior doors shall be inscribed, painted or affixed in a size, color and style acceptable to Landlord.

(3) The grills, louvers, skylights, windows and doors that reflect or admit light and/or air into the Premises or Common Areas shall not be covered or obstructed by Tenant, nor shall any articles be placed on the window sills, radiators or convectors.

(4) All locks or bolts of any kind shall be operable by the Building's Master Key. No locks shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in locks or the mechanism thereof which shall make such locks inoperable by the Building's Master Key. Tenant shall, upon the termination of its Lease, deliver to Landlord all keys of stores, offices and lavatories, either furnished to or otherwise procured by Tenant and in the event of the loss of any keys furnished by Landlord, Tenant shall pay to Landlord the cost thereof.

(5) Tenant shall keep the entrance door to each portion of the Premises closed at all times.

(6) Landlord reserves the right to inspect all articles to be brought into the Building and to exclude from the Building all articles which violate any of these Rules and Regulations or the Lease.

(7) All hand trucks shall be equipped with rubber tires, side guards and such other safeguards as Landlord may require.

(8) Neither Tenant nor any Tenant Party shall be permitted to have access to the Building's roof (except the designated roof deck), mechanical, electrical or telephone rooms without permission from Landlord, unless the access is specifically allowed per the main body of this Lease or necessary to exercise a right granted to Tenant under the Lease.

(9) Tenant shall store all its trash and recyclables within its Premises. No material shall be disposed of which may result in a violation of any applicable Laws or these Rules and Regulations. All refuse disposal shall be made only through entryways and elevators provided for such purposes.

(10) Tenant shall not deface any part of the Building. No boring, cutting or stringing of wires shall be permitted, except with prior consent of Landlord, and as Landlord may direct.

(11) The water and wash closets, electrical closets, mechanical rooms, fire stairs and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed and no sweepings, rubbish, rags, acids or other substances shall be deposited therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant where either Tenant or a Tenant Party caused the same.

(12) Tenant, before closing and leaving the Premises at any time, shall see that all water faucets, etc. are turned off. All entrance doors in the Premises shall be kept locked by Tenant when the Premises are not in use.

(13) No bicycles, in-line roller skates, vehicles or animals of any kind (except for service animals as defined by ADA) shall be brought into or kept by any Tenant in or about the Premises or the Building (except for the designated bicycle parking area).

(14) Canvassing or soliciting in the Building is prohibited.

(15) Employees of Landlord or Landlord's agents shall not perform any work or do anything outside of the regular duties, unless under special instructions from the office of Landlord or in response to any emergency condition.

(16) Tenant is responsible for the delivery and pick up of all mail from the United States Post Office.

(17) Landlord reserves the right to exclude from the Building during other than Normal Business Hours all persons who do not present a valid Building pass. Tenant shall be responsible for all persons for whom a pass shall be issued at the request of Tenant and shall be liable to Landlord for all acts of such persons.

(18) Tenant shall not use the Premises for any purpose that may be dangerous to persons or property, nor shall Tenant permit in, on or about the Premises or Building items that may be dangerous to persons or property, including, without limitation, firearms or other weapons (excepting, however, firearms or other weapons carried by licensed security guards, which shall in all cases comply with the requirements set forth in the Lease, including insurance) or any explosive or combustible articles.

(19) No smoking shall be permitted in, on or about the Premises, the Building or the Land.

(20) Landlord shall not be responsible to Tenant or to any other Person for the non-observance or violation of these Rules and Regulations. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the Premises.

(21) All contractors, subcontractors and technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's reasonable rules, regulations, policies and procedures, which may be reasonably revised from time to time.

(22) If Landlord provides janitorial service, then: (i) the work of cleaning staff shall not be hindered by Tenant after 5:30 pm, and (ii) Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

Exhibit K

FORM OF ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Lease Agreement (the “**Lease**”) made and entered into as of October [\_\_\_], 2017, by and between Third and Taylor Office Owner, LLC, a Delaware limited liability company, as Landlord, and the undersigned, as Tenant, for certain Premises located at 250 Taylor Street, Portland, Oregon. Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Lease. Tenant hereby certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned [has][has not] commenced occupancy of the Premises described in the Lease and currently [occupies][does not occupy] the Premises.

3. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

4. Tenant has not assigned the Lease or subleased all or any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:  
\_\_\_\_\_.

5. Base Rent became payable on \_\_\_\_\_.

6. The Initial Term expires on \_\_\_\_\_ and is subject to the following Extension Option(s): \_\_\_\_\_.

7. To Tenant’s actual knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder, except as follows: \_\_\_\_\_.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease, except as follows:  
\_\_\_\_\_.

9. As of the date hereof, to Tenant’s actual knowledge, there are no existing defenses or offsets that Tenant has which preclude enforcement of the Lease by Landlord.

10. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Operating Costs have been paid when due through \_\_\_\_\_. The current monthly installment of Base Rent is \$\_\_\_\_\_.

11. Landlord has performed all construction obligations required by the Lease and related to the Premises or the Building in accordance with the terms of the Lease and within the

time periods set forth in the Lease. Landlord has paid in full any required contributions toward work to be performed by Tenant under the Lease, if any.

12. Landlord has satisfied each of the Milestones, except: \_\_\_\_\_.

13. Tenant's remaining Tenant's Work Allowance is \$ \_\_\_\_\_.

14. Tenant has no option, right of first offer, right of first refusal or similar right to purchase the Project (each, a "**Purchase Right**") except \_\_\_\_\_. [Tenant has received proper notice of and has waived any Purchase Right with respect to Tenant's potential acquisition of the Project pursuant to the Lease and any other agreement.]

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord's existing or prospective mortgagee, or a prospective purchaser, and acknowledges that it recognizes that if same is done, said mortgagee, or prospective purchaser will be relying upon the statements contained herein. If Tenant is a corporation, limited liability company, partnership or other legal entity, the individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that such person signing on behalf of Tenant is authorized to do so.

As used herein, to "**Tenant's actual knowledge**" means the current, actual knowledge of [\_\_\_\_\_], without any specific duty of investigation or inquiry or any personal liability whatsoever with respect to the statements made herein. Tenant represents and warrants to Landlord that [\_\_\_\_\_] is knowledgeable with respect to the Premises and the Lease.

Executed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_.

**TENANT:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A  
LEASE DOCUMENTS  
[ATTACHED]

Exhibit L

WORK LETTER

This Work Letter (this “Work Letter”) supplements the Lease (the “Lease”) dated as of the Execution Date (as defined in the Lease), by and between Third and Taylor Office Owner, LLC, a Delaware limited liability company, as landlord (“Landlord”), and Northwest Natural Gas Company, an Oregon corporation, as tenant (“Tenant”), covering certain premises more particularly described in the Lease (the “Premises”). All terms not defined in this Work Letter shall have the meanings set forth for them, respectively, in the Lease.

ARTICLE 1

BASE BUILDING CONSTRUCTION

1.1 Generally. Landlord shall construct the Building in accordance with Exhibit E of the Lease. Landlord shall deliver to Tenant physical possession of the ground floor and the second floor of the Building (the “Turnover Date”) at such time as (i) utilities adequate for construction of Tenant’s Work are available and provided to such floors, (ii) Tenant’s contractor has reasonable and adequate access to at least one (1) of the following: (x) one (1) Building elevator, (y) one (1) temporary construction lift or (z) temporary stairs (subject to Section 1.2 below) and (iii) such floors are in a condition such that Tenant’s contractors can safely commence and continuously pursue construction of Tenant’s Work without hindrance (subject to Section 1.2 below) (“Delivery for Commencement of Tenant’s Work”). Landlord shall use commercially reasonable efforts to deliver to Tenant a notice (the “Advance Turnover Notice”) no less than sixty (60) days prior to the Turnover Date setting forth the then anticipated Turnover Date, subject to Tenant Delay and Force Majeure Delay. Under no circumstances shall Landlord’s failure to cause the Turnover Date to be on or after the date set forth in the Advance Turnover Notice be deemed a default of Landlord under the Lease. Landlord shall deliver to Tenant physical possession of the remainder of the Premises (on a floor by floor basis) when Delivery for Commencement of Tenant’s Work has occurred with respect to such remaining portion of the Premises.

1.2 Mutual Cooperation. Tenant acknowledges and agrees that Landlord intends to tender possession of portions of the Premises to Tenant for commencement of construction of Tenant’s Work prior to Substantial Completion of Landlord’s Work. As Landlord may be performing construction of some of Landlord’s Work during the period in which Tenant is constructing Tenant’s Work pursuant to this Work Letter, Landlord will allow Tenant and Tenant’s employees, consultants, contractors and vendors to have access to the Premises prior to Substantial Completion of Landlord’s Work in order to allow them to complete Tenant’s Work, and thus there will at times be certain “overlap” pursuant to which both Landlord’s employees, consultants, contractors and vendors and Tenant’s employees, consultants, contractors and vendors may be present and performing work in a portion of a portion of the Premises concurrently. During any such “overlap” period(s) when both parties and/or their respective employees, consultants, contractors and vendors are concurrently performing work in, or accessing, any portion of the Premises, neither party shall unreasonably interfere with or delay the work of the other party and/or its employees, consultants, contractors

and vendors, and both parties shall mutually coordinate and cooperate with each other, and shall cause their respective employees, contractors, vendors and consultants to work in harmony with and to mutually coordinate and cooperate with the other's employees, vendors, contractors and consultants, respectively, to minimize any interference or delay by either party with respect to the other party's work.

1.3 Provisions in Landlord's Construction Contract. Landlord's contract with the general contractor for Landlord's Work shall provide that (i) Tenant's Project Parties (as defined below) are indemnified parties to the same extent that Landlord is an indemnified party under Landlord's contract with the general contractor and (ii) Tenant's Project Parties are additional insureds under the liability insurance policies that the general contractor is to maintain under Landlord's contract with the general contractor to the same extent that Landlord is an additional insured under Landlord's contract with the general contractor.

## ARTICLE 2

### TENANT'S WORK

2.1 Tenant's Work Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the "Tenant's Work Allowance") of up to, but not exceeding, Seventy-Two and 50/100 Dollars (\$72.50) per rentable square foot of the Premises (excluding the rentable square footage for the Storage Space) in the total amount of Twelve Million Nine Hundred Sixty-Six Thousand Six Hundred Ninety-Seven and 50/100 Dollars (\$12,966,697.50) for the costs of the initial design (including, but not limited to, permitting, space planning, and preparation of design documents) and construction of Tenant's improvements which are built by Tenant pursuant to this Work Letter and permanently affixed to the Premises ("Tenant's Work") and for Tenant's moving costs. Tenant's Work Allowance is for the purpose of constructing or improving qualified long-term leasehold property. In no event shall Landlord be obligated to make disbursements on account of Tenant's Work which exceed the Tenant's Work Allowance. All of Tenant's Work for which the Tenant's Work Allowance has been made available shall be deemed Landlord's property. Upon completion of all of Tenant's Work, Tenant shall deliver a notice (the "Completion Notice") to Landlord informing Landlord that all such work has been completed, along with any documentation or invoicing evidencing such completion as may be reasonably requested by Landlord, and a portion of Tenant's Work Allowance that has not been used in connection with Tenant's Work up to Ten and 00/100 Dollars (\$10.00) per rentable square foot (excluding the rentable square footage for the Storage Space) in the total amount not to exceed One Million Seven Hundred Eighty-Eight Thousand Five Hundred Ten and 00/100 Dollars (\$1,788,510.00) (such portion, the "Unused Allowance") shall be credited against any payments of Premises Base Rent due under the Lease from and after the date of delivery of the Completion Notice until the credit has been applied in full.

2.2 Disbursement of the Tenant's Work Allowance. Except as otherwise set forth in this Work Letter, the Tenant's Work Allowance shall be disbursed pursuant to Section 4.5 hereof for costs paid to the Contractor (as defined below) or others for the design, permitting and completion of construction of Tenant's Work and for the following items and costs (collectively, the "Tenant's Work Allowance Items"): (i) payment of the fees of the Architect and the Engineers (each as defined below); (ii) payment of the actual, reasonable fees

incurred by, and the costs of documents and materials supplied by, Landlord and Landlord's consultants in connection with the review of the Design Documents (as defined below); (iii) the cost of any changes to the Design Documents or Tenant's Work; (iv) the cost of miscellaneous fees relating to the cost of construction of Tenant's Work, including, without limitation, testing and inspection costs; and (v) trash removal costs. No portion of the Tenant's Work Allowance may be applied to the cost of personal property, equipment, trade fixtures or furniture (including, but not limited to, work stations and modular office furniture, regardless of the method of attachment to walls and/or floors). Notwithstanding anything to the contrary set forth herein, Tenant may not apply any portion of Tenant's Work Allowance in excess of Ten and 00/100 Dollars (\$10.00) per rentable square foot of the Premises toward low voltage wiring in constructing Tenant's Work and Tenant's moving expenses.

### ARTICLE 3

#### DESIGN DOCUMENTS

3.1 Selection of Architect/Design Documents. Tenant shall retain a reputable architect/space planner reasonably approved by Landlord ("Architect") to prepare the "Final Space Plan," "Final Design Development Documents," and "Final Construction Documents," all as defined herein below and collectively referred to as "Design Documents." Landlord hereby approves GBD Architects as Architect if selected by Tenant. Tenant shall retain reputable engineering consultants reasonably designated or selected by Tenant and approved by Landlord ("Engineers") to prepare Design Documents relating to any structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work of Tenant's Work. All Design Documents shall be subject to Landlord's approval, which approval shall not be unreasonably conditioned, withheld or delayed. Tenant and Architect shall not rely on any drawings supplied by Landlord and shall verify, in the field, all relevant dimensions and conditions relating to the Base Building Specifications and shall be solely responsible for the same. Landlord's review of the Design Documents as set forth in this Section 3 shall be for its own purposes and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, compliance with Laws or other like matters. Accordingly, notwithstanding that any Design Documents are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance that may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no responsibility or liability whatsoever in connection therewith, including any omissions or errors contained in the Design Documents, and Tenant's waivers and indemnities set forth in the Lease shall specifically apply to the Design Documents.

3.2 Space Plan. Tenant and Architect shall prepare and deliver to Landlord with a request for its approval (in at least ten (10) point type in all capital letters specifying this Section 3.2), which approval shall not be unreasonably withheld or delayed, the proposed space plan for the Premises. Notwithstanding the preceding sentence, Landlord may withhold its consent, in its sole discretion, to any element of the proposed space plan which would (i) adversely affect any guarantees or warranties or (ii) materially affect the systems of the Building, including, without limitation, the HVAC, plumbing and fire protection systems, the Building's equipment, the structural integrity of the Building, and/or the exterior appearance of the Building. Landlord shall notify Tenant of its approval or disapproval (with reasons for such

disapproval specified) of the proposed space plan within ten (10) Business Days after receipt thereof. If Landlord disapproves the proposed space plan, this process shall be repeated until Landlord's approval is obtained; provided, however, that Tenant shall only make such changes to the proposed space plan which address the reasons Landlord specified for its disapproval of the proposed space plan. The approved space plan is hereinafter referred to as the "Final Space Plan."

3.3 Design Development Documents. Tenant shall cause the Architect shall prepare and deliver to Landlord with a request for its approval (in at least ten (10) point type in all capital letters specifying this Section 3.3), which approval shall not be unreasonably withheld or delayed, the proposed design development documents, which shall be the formalization of the Final Space Plan and the initial set of drawings. Notwithstanding the preceding sentence, Landlord may withhold its consent, in its sole discretion, to any element of the proposed design development documents which would (i) adversely affect any guarantees or warranties or (ii) materially affect the systems of the Building, including without limitation, the HVAC, plumbing and fire protection systems, the Building's equipment, the structural integrity of the Building, and/or the exterior appearance of the Building. Landlord shall notify Tenant of its approval or disapproval (with reasons for such disapproval specified) of the proposed design development documents within ten (10) Business Days after receipt thereof. If Landlord disapproves the proposed design development documents, this process shall be repeated until Landlord's approval is obtained; provided, however, that Tenant shall only make such changes to the proposed design development documents which address the reasons Landlord specified for its disapproval of the proposed design development documents. The approved design development drawings are hereinafter referred to as the "Final Design Development Documents."

3.4 Construction Documents. Following completion of the Final Design Development Documents, the Architect and the Engineers shall complete and deliver to Landlord with a request for its approval (in at least ten (10) point type in all capital letters specifying this Section 3.4), which approval shall not be unreasonably conditioned, withheld or delayed, the proposed construction documents for the Premises, in a form which is sufficiently complete to allow subcontractors to bid on the work and to obtain all applicable permits. Notwithstanding the preceding sentence, Landlord may withhold its consent, in its sole discretion, to any element of the proposed construction documents for the Premises which would materially affect the systems of the Building, including, without limitation, the HVAC, plumbing and fire protection systems, the Building's equipment, the structural integrity of the Building, and/or the exterior appearance of the Building. Landlord shall notify Tenant of its approval or disapproval (with reasons for any disapproval specified) of the proposed construction documents within ten (10) Business Days after receipt thereof. If Landlord disapproves the proposed construction documents, this process shall be repeated until Landlord's approval is obtained, although Tenant need only make such changes to the proposed construction documents which address the reasons Landlord specified for its disapproval of the proposed construction documents. The approved proposed construction documents are hereinafter referred to as the "Final Construction Documents."

3.5 Permits. The Final Construction Documents shall have been approved by Landlord prior to the commencement of the construction of Tenant's Work. Following completion of the Final Construction Documents, Tenant shall submit the Final Construction

Documents to the appropriate municipal authorities for all applicable building permits necessary to allow Contractor to commence and fully complete the construction of Tenant's Work (the "Permits"). No changes, modifications or alterations in the Final Space Plan or the Final Construction Documents may be made by Tenant without the prior written consent of Landlord, which consent shall not be unreasonably conditioned, withheld or delayed; provided that Landlord may withhold its consent, in its sole discretion, to any change in the Final Space Plan or the Final Construction Documents if such change would (i) adversely affect any guarantees or warranties or (ii) materially affect the systems of the Building, including, without limitation, the HVAC, plumbing and fire protection systems, the Building's equipment, the structural integrity of the Building, and/or the exterior appearance of the Building.

### 3.6 Time Deadlines.

(1) Within fifteen (15) days prior to commencement of Tenant's Work, Tenant shall submit to Landlord a proposed construction schedule and customary construction milestones for Tenant's Work ("Approved Plan"). Tenant shall use good faith and commercially reasonable efforts to abide by each of the deadlines and milestones contained in such Approved Plan.

(2) Tenant shall use its commercially reasonable, good faith, efforts to cooperate with the Architect, the Engineers, and Landlord to complete all phases of the Design Documents and the permitting process and to receive the Permits in accordance with the schedule approved by the parties, and, in that regard, shall meet with Landlord as it reasonably requests to discuss Tenant's progress in connection with the same. Landlord agrees to cooperate with Tenant at no cost to Landlord, to the extent necessary to facilitate Tenant's permitting process.

3.7 Approval of Design Documents. Without limiting Landlord's rights in any way, Landlord shall be deemed to have reasonably withheld its approval of any portion of the Design Documents which:

(1) exceeds the capacity of, adversely affects, is incompatible with, or impairs Landlord's ability to maintain, operate, alter, modify or improve the Base Building Systems and/or Landlord reasonably believes will increase the cost of operating or maintaining the Base Building Systems or the Land;

(2) does not conform to applicable Laws, insurance regulations or standards for a fire-resistive office building and/or is not approved by any governmental authority having jurisdiction over the Premises;

(3) affects the exterior appearance of the Building or Common Areas;

(4) violates any agreement which affects the Land or binds Landlord;

(5) Landlord reasonably believes will reduce the market value of the Premises, the Building and/or the Land at the end of the Term;

(6) Landlord reasonably believes will infringe on the architectural integrity of the Building; or

(7) adversely affects any existing guarantees or warranties.

#### ARTICLE 4

##### CONSTRUCTION OF TENANT'S WORK

4.1 Contractor. Tenant shall retain a qualified, reputable general contractor reasonably approved by Landlord (the "Contractor"). Tenant hereby waives all claims against Landlord, and Landlord shall have no responsibility or liability to Tenant, on account of any non-performance or any misconduct of Contractor or of any subcontractor of Contractor. Tenant shall use its commercially reasonable efforts to cause Tenant's Work to be completed as promptly as reasonably possible. Tenant's Work shall be constructed in a good and workmanlike manner in accordance with the Final Construction Documents and in compliance with all applicable Laws in effect as of the date of construction.

4.2 Subcontractor's and Engineers. Tenant shall use reputable subcontractors and Engineers for the performance of Tenant's Work.

4.3 Landlord Fees and Reimbursements.

(a) Tenant shall pay a construction supervision and management fee (the "Construction Management Fee") to Landlord in an amount equal to One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), payable ratably as the Tenant's Work Allowance is disbursed as provided herein. Tenant shall include such ratable portion of the Construction Management Fee in each request disbursing the Tenant's Work Allowance.

(b) In addition to the Construction Management Fee, Tenant shall reimburse Landlord for any third-party costs and expenses reasonably incurred by Landlord in connection with the review and approval of any Tenant's Work relating to or affecting the Base Building Systems, including, but not limited to, the costs of any architects or engineers hired by Landlord to review any space plans, schematic drawings, design development documents and/or construction documents. Such reimbursements shall first be credited against the remaining available balance of the Tenant's Work Allowance, and then be paid to Landlord within thirty (30) days after invoice as Additional Rent if Tenant's Work Allowance is exhausted.

4.4 Construction of Tenant's Work. Prior to Tenant's execution of the construction contract and general conditions between Tenant and its Contractor (the "Contract"), Tenant shall submit the Contract to allow Landlord to confirm that the Contract complies with the requirements set forth in the Lease and this Work Letter prior to Tenant's entering into the Contract. Landlord shall have five (5) Business Days from receipt of the Contract from Tenant to provide any comments to Tenant to be incorporated in the final Contract. Prior to the commencement of the construction of Tenant's Work, and after Tenant has accepted all bids for Tenant's Work, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, in connection with the design and construction of Tenant's Work to be performed by or at the direction of Tenant or the Contractor, which costs

form a basis for the amount of the Contract (the “Construction Budget”), which for the sake of clarity shall include all hard and soft costs for Tenant’s Work which are subject to reimbursement from the Tenant’s Work Allowance.

(a) Prior to commencing construction of Tenant’s Work, Tenant shall deliver to Landlord the following:

(1) The actual commencement date of construction and the estimated date of completion of the work, including fixturation;

(2) Evidence of all insurance required hereunder; and

(3) An executed copy of the Permits.

(b) Contractor Requirements. After receipt of the Permits, Tenant shall cause the Contractor to proceed promptly to commence and complete Tenant’s Work. The Contractor and all subcontractors shall be subject to administrative and other supervision by Landlord in their use of the Building subject to the provisions of Section 1.2 of this Work Letter. Tenant shall reimburse Landlord within ten (10) days after demand for the cost of repairing any damage to the Building caused by Tenant, the Contractor or any subcontractor during performance of Tenant’s Work. The Contractor and all subcontractors shall conduct their work and employ labor in such manner as to maintain harmonious labor relations and as not to interfere with or delay any work of Landlord’s contractors or other contractors in the Building subject to the provisions of Section 1.2 of this Work Letter.

(c) Landlord’s General Conditions for Tenant’s Work. Tenant’s Work shall be constructed in accordance with the Final Construction Documents and all approved change orders. Tenant, Architect, Engineers, Contractor, Contractor’s subcontractors and each of their suppliers, materialmen, laborers (collectively, “Tenant’s Project Parties”) shall abide by all reasonable rules made by Landlord’s building manager with respect to the use of parking spaces, freight, loading dock and service elevators, storage of materials, mechanical and electrical systems, trash removal, coordination of work with the contractors of other tenants, and any other matter in connection with this Work Letter, including, without limitation, the construction of Tenant’s Work, but all subject to the provisions of Section 1.2 of this Work Letter.

(1) Changes. Any changes in Tenant’s Work from the Final Construction Documents (“Changes”) shall be subject to Landlord’s prior written approval, which approval shall not be unreasonably conditioned, delayed or withheld. Any deviation in construction from the design specifications and criteria set forth herein or from Tenant’s plans and specifications as approved by Landlord shall be promptly remedied following notice from Landlord or Landlord’s contractor or any government representative. Only new and/or properly recycled first-class materials shall be used in the construction of Tenant’s Work, except with the written consent of Landlord, which consent may be withheld in Landlord’s sole and absolute discretion.

(2) Trash Removal. During the construction of Tenant’s Work, removal of trash generated by Tenant’s Work, or otherwise by Tenant, will be done continually

at Tenant's cost and expense. No trash, or other debris, or other waste may be deposited at any time outside the Premises. If so, upon prior written notice, Landlord may remove it at Tenant's expense.

(3) Storage of Tools. Storage of the Contractor's construction materials, tools and equipment shall be confined within the Premises and in areas designated for such purposes by Landlord, and should such materials, tools and equipment be assigned space or spaces outside the Premises they shall be moved to such other space as Landlord shall direct from time to time to avoid interference or delays with other work. In no event shall any debris be stored outside of the Premises.

(d) Requirements of Tenant's Contractor. Tenant's Contractor shall warrant to Tenant that Tenant's Work shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Tenant's Contractor shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of Tenant's Work, and/or repair of the Building and/or Common Areas that may be damaged or disturbed thereby.

(e) Responsibility for Certain Parties. Landlord's approval of any Tenant's Project Party, any work performed by any of them or any documents prepared by any of them shall not be for the benefit of Tenant or any third party, and Landlord shall have no duty to Tenant or to any third parties for the actions or omissions of any Tenant's Project Party. Tenant shall indemnify, defend and hold harmless Landlord against any and all Losses arising from, or in connection with, Tenant's non-payment of any amount arising out of Tenant's Work and/or Tenant's disapproval of all or any portion of any request for payment, or related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete Tenant's Work and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

(f) Insurance Requirements. Contractor shall procure and maintain in effect the insurance set forth in Section 16.8 of the Lease. The requirements for the foregoing insurance shall not diminish the provisions for indemnification of Landlord by Tenant under Section 4.4 of this Work Letter.

(g) Damage. In the event that Tenant's Work is damaged by any cause during the course of the construction thereof, Tenant shall promptly repair the same at Tenant's sole cost and expense.

(h) Governmental Compliance. Tenant's Work (and the Premises improved thereby) shall comply in all respects with all Laws (including, without limitation, the Americans with Disabilities Act of 1990 (as amended) and all regulations and guidelines promulgated thereunder). Tenant shall be solely responsible for all costs and expenses necessary to ensure such compliance.

(i) Inspection by Landlord. Landlord shall have the right to inspect Tenant's Work at all times to ensure compliance with the terms of this Work Letter; provided however, that Landlord's election not to inspect Tenant's Work shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of Tenant's Work constitute Landlord's approval of the same. Should Landlord disapprove any portion of Tenant's Work because such work is not in compliance with the terms of this Work Letter, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, Tenant's Work shall be rectified by Tenant at no expense to Landlord; provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of Tenant's Work and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, HVAC or life-safety systems of the Building, or the structure or exterior appearance of the Building, Landlord may take such action as Landlord deems necessary, at Tenant's expense (and if such cost is not promptly reimbursed by Tenant, Landlord may deduct such cost from the Tenant's Work Allowance) to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of Tenant's Work until such time as the defect, deviation and/or matter is corrected to Landlord's reasonable satisfaction.

(j) Meetings. Commencing on the date that is the earlier of (i) six (6) months after Landlord obtains the Building Permit and (ii) when design meetings begin, Tenant shall hold weekly meetings, at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of the Final Construction Documents and the construction of Tenant's Work, which meetings shall be held at a location approved by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Project Parties shall attend such meetings. In addition, minutes shall be taken by Tenant and/or Tenant's Project Parties at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. Landlord shall be permitted to discuss proposed Changes or the status of the Landlord's Work at all such meetings.

(k) Notices. Landlord shall have the right to post in a conspicuous location on the Premises, as well as record in the County of Multnomah, Oregon, a notice of non-responsibility and other notices permitted by applicable Laws.

(l) Coordination of Work. Subject to the provisions of Section 1.2 of this Work Letter, all work to be performed inside or outside of the Premises shall be reasonably coordinated with Landlord and shall be subject to reasonable scheduling requirements of Landlord, and Tenant shall coordinate all after-hours and weekend work with Landlord.

(m) As-Built Plans. Tenant shall, upon completion of Tenant's Work, submit to Landlord two (2) complete sets of as-built drawings (one (1) reproducible) prepared by the Architect and covering all of Tenant's Work, including architectural, electrical, and plumbing, as-built, plus one (1) copy of the same in "CAD" format.

(n) Provisions in Tenant's Construction Contract. Tenant's contract with the Contractor for Tenant's Work shall provide that (i) Landlord and the Landlord Parties

are indemnified parties to the same extent that Tenant is an indemnified party under Tenant's construction contract with the Contactor and (ii) Landlord and the Landlord Parties are additional insureds under the liability policies that the Contractor is required to maintain under Tenant's construction contract with the Contractor to the same extent that Tenant is an additional insured under Tenant's construction contract with the Contractor.

4.5 Payment of Costs of Tenant's Work. Landlord shall bear and pay the cost of Tenant's Work up to the amount of the Tenant's Work Allowance. Tenant shall bear and pay the cost of Tenant's Work in excess of the Tenant's Work Allowance. Tenant shall use no less than One Million and 00/100 Dollars (\$1,000,000.00) nor more than One Million Eight Hundred Thousand and 00/100 Dollars (\$1,800,000.00) of the Tenant Improvement Allowance for any floor; provided, however, that as to one floor designated by Tenant, Tenant may use less than One Million and 00/100 Dollars (\$1,000,000.00) (but not less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00)) for that designated floor if as part of Tenant's Work, Tenant improves such designated floor to a Warm Shell Condition. As used in the immediately preceding sentence, "Warm Shell Condition" means that such floor has electrical, HVAC ducting and plumbing mains throughout such floor with exterior walls in paint ready condition. If the aggregate Construction Budget for the entire Premises exceeds the Tenant's Work Allowance ("TI Excess"), Tenant shall be responsible for payment of such excess (the "Tenant Contribution"), so that the Tenant Contribution will be paid pro rata with any amount of Tenant's Work Allowance that is required to be disbursed. In the event of any Changes or any other revisions, changes, or substitutions shall be made to the Final Construction Documents or the contracts for the construction of Tenant's Work which would increase the Construction Budget, any additional costs which arise in connection with such revisions, changes or substitutions or any other additional costs shall be TI Excess and such amounts shall be paid by Tenant as an addition to the Tenant Contribution and such amount shall be disbursed prior to any further disbursement of the Tenant's Work Allowance. Subject to the terms hereof, including the pro rata payment of the TI Excess by Tenant, Landlord shall disburse to Tenant from the Tenant's Work Allowance the amount set forth on Tenant's application for payment, less a five percent (5%) retention (the aggregate amount of such retentions to be known as the "Final Retention"). Based upon applications for payment prepared, certified, approved and submitted by Tenant, Landlord shall make its payments from the Tenant's Work Allowance to Tenant or to the Contractor in accordance with the following provisions:

(a) Tenant shall submit applications for payment to Landlord in a form reasonably satisfactory to Landlord, certified as correct by an officer of Tenant and by the Architect, for pro rata payment of that portion of the cost of Tenant's Work allocable to labor, materials and equipment incorporated in the Premises through the date of the payment application. Each application for payment shall set forth such information and shall be accompanied by such supporting documentation as shall be reasonably requested by Landlord, including the following:

(1) Fully executed conditional lien releases from the Contractor and subcontractors for the following trades: Final Clean, Casework / Architectural Woodwork, Doors / Frames / Hardware, Glazing, Drywall, Ceramic Tile, Resilient Flooring, Paint, Specialties, Appliance Vendors, Kitchen Equipment, Window Coverings, Fire Protection, Mechanical (Plumbing / HVAC), Electrical / Fire Alarm, and Low Voltage or such other contractors or

material providers required by Landlord's Mortgagee ("Covered Subcontractors") and fully executed unconditional lien releases from the Contractor and Covered Subcontractors covering any prior payment period.

(2) Contractor's worksheets showing percentages of completion.

(3) Contractor's certification as follows:

"There are no known filed mechanics' or materialmen's liens outstanding at the date of this application for payment, all due and payable bills with respect to Tenant's Work have been paid to date or shall be paid from the proceeds of this application for payment, and there is no known basis for the filing of any mechanics' or materialmen's liens against the Premises, Building and/or Land, and, to the best of our knowledge, waives from all subcontractors and materialmen are valid and constitute an effective waiver of lien under applicable law to the extent of payments that have been made or shall be made concurrently herewith."

(4) Calculation of the approximate percentage of the Premises that has been substantially completed for which a payment of the Tenant's Work Allowance has been requested.

(5) A certificate from Architect to Landlord, in the form of the then applicable standard AIA document, certifying that the construction of Tenant's Work complies with all applicable Laws.

(6) Evidence that all required governmental approvals required for construction of Tenant's Work have been obtained.

(7) Any other materials reasonably requested by Landlord evidencing the work completed, permitting and licensing matters, compliance with Laws, and/or previous progress payments.

(b) On or before the thirtieth (30<sup>th</sup>) day following submission of the application for payment, Landlord shall make payment to Tenant (so long as Landlord has not delivered notice to Tenant that Tenant is in default) of the amount due from Landlord as determined in accordance with this Section 4.5. Landlord has no obligation to make any payments to material suppliers or subcontractors or to determine whether amounts due them from the Contractor in connection with Tenant's Work have, in fact, been paid.

(c) Notwithstanding anything to the contrary in this Section 4.5, the Tenant's Work Allowance shall be available for disbursement pursuant to the terms hereof only for the first twenty four (24) months after the Turnover Date. Accordingly, if any portion of the Tenant's Work Allowance is not disbursed by Landlord prior to the date that is twenty four (24) months after the Turnover Date (other than by reason of Landlord's breach of its disbursement obligations hereunder), such unused portion shall be credited against the Base Rent as set forth in Section 2.1 of this Work Letter.

4.6 Notice of Completion; Copy of Record Set of Plans. Within thirty (30) days after completion of construction of Tenant's Work, Tenant shall cause a Notice of Completion to be recorded in the Official Records and shall comply with any requirements set forth in Oregon's Construction Lien Act or any successor statute thereto, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, Tenant shall (i) cause Tenant's Architect and the Contractor to certify to the best of their knowledge that the "record-set" of reproducible as-built drawings (and the CAD files of such drawings) for Tenant's Work delivered to Landlord pursuant to Section 4.4 are true and correct, which certification shall survive the expiration or termination of the Lease, and (ii) deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems installed by Tenant or Contractor in the Premises.

4.7 Evidence of Completion. Within sixty (60) days following final completion of all of Tenant's Work, Tenant shall submit to Landlord:

(a) A statement of Tenant's final construction costs, together with receipted evidence showing payment thereof, reasonably satisfactory to Landlord, and, to the extent not previously delivered, fully executed and acknowledged unconditional lien releases from the Contractor and all Covered Subcontractors, and copies of all invoices from the Contractor.

(b) All evidence reasonably available from governmental authorities showing compliance with any and all other Laws, and all governmental authorities having jurisdiction over the Premises, including, without limitation, a certificate of occupancy, building permit sign-offs, and/or other appropriate authorization for physical occupancy of the Premises.

(c) A certificate executed by the Architect confirming that Tenant's Work has been substantially completed in accordance with the Final Construction Documents.

(d) A written certificate from the Contractor as follows:

There are no known mechanics' or materialmen's liens outstanding, all due and payable bills with respect to Tenant's Work have been paid, and there is no known basis for the filing of any mechanics' or materialmen's liens against the Premises, Building or Land, and, to the best of our knowledge, waivers from all subcontractors and materialmen are valid and constitute an effective waiver of lien under applicable law. No substandard work exists that materially and adversely affects the mechanical, electrical, plumbing, HVAC, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building.

(e) A certificate from Architect to Landlord, in the form of the then applicable standard AIA document, certifying that the construction of Tenant's Work has been substantially completed.

(f) The as-built plans and specifications referred to above.

A check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant within thirty (30) days following the completion of the requirements of this Section 4.7.

4.8 Assignment of Rights against Architect and Contractor. If and upon the termination of the Lease as a result of a Tenant Default, Tenant shall assign to Landlord, upon request of Landlord, any and all rights Tenant may have against the Architect and Contractor relating to Tenant's Work, without in any way obligating Landlord to pursue or prosecute such rights.

## ARTICLE 5

### MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Wayne Pipes and Lea Anne Doolittle as its sole representatives with respect to the matters set forth in this Work Letter, who, until further notice from Tenant to Landlord, each such person shall have full authority and responsibility to act by himself or herself on behalf of Tenant as required in this Work Letter.

5.2 Landlord's Representative. Landlord has designated Ken Maheu and Jack Onder as its representatives with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of Landlord as required in this Work Letter.

5.3 Time of the Essence. Time is of the essence in this Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if a Tenant Default occurs, then, in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant's Work Allowance and/or Landlord may cause Contractor to cease the construction of the Premises.