

# Warehouse Space Lease Agreement

This Warehouse Space Lease Agreement (this "Lease") is entered into by and between Podium Properties, LLC, an Oregon limited liability company ("Lessor"), and FOSCO ("Lessee").

- 1. Premises.** Lessor leases to Lessee, and Lessee leases from Lessor, approximately 500 square feet of space (the "Premises") in the warehouse located at 4409 SE 24<sup>th</sup> Ave, Portland, Oregon 97202 (the "Building"). A depiction of the Premises is shown on Exhibit A attached hereto. Lessor also grants Lessee the nonexclusive use of the common areas serving the Building (the "Common Areas") for purposes of accessing the Premises.
- 2. Term.** The term of this Lease will commence on \_\_\_\_\_ (the "Commencement Date") and will continue thereafter on a month-to-month basis (the "Term"). Either Lessor or Lessee may terminate this Lease upon thirty (30) days' prior written notice to the other party.
- 3. Rent.** Monthly rent shall be \$\_\_\_\_\_ ("Rent"), payable in advance, on the Commencement Date and on the first (1<sup>st</sup>) day of each month thereafter. Rent shall be payable without prior notice or demand, without offset or deduction and without relief from valuation or appraisal laws at the address of Lessor set forth below. In the event that any Rent is not received by Lessor with five (5) days of the date set forth for payment, Lessee shall pay to Lessor (i) a late fee equal to two percent (2%) of the delinquent Rent (the "Late Fee") and (ii) interest on such delinquent Rent at a rate equal to the lesser of the National Prime Rate of Interest as published in the Wall Street Journal plus four percent (4%) or the highest rate allowed by law from the date that such delinquent Rent was due through the date that such delinquent Rent is actually received by Lessor. Rent shall be prorated for any part of the Term that is a partial month.
- 4. Lessee's Insurance.** Lessee, at its sole cost and expense, shall secure and maintain throughout the Term (a) commercial general liability insurance, insuring both Lessor and Lessee against death and personal injuries to one or more persons and damage to property occurring on the Premises or Common Areas or in connection with Lessee's use and occupancy of the Premises in an amount equal to not less than One Million and 00/100 DOLLARS (\$1,000,000) combined single limit per occurrence, (b) fire, casualty and extended coverage insurance covering all equipment and personal property of Lessee on or about the Premises, insuring both Lessor and Lessee, for full insurable value thereof on a replacement cost basis, and (c) worker's compensation insurance required by law. Prior to the Commencement Date, Lessee shall furnish to Lessor a certificate of insurance evidencing such coverage with Lessor named as an additional insured, which certificate shall contain a provision to the effect that such coverage may not be canceled, materially changed or not renewed with at least thirty (30) days' prior written notice to Lessor. Lessee acknowledges Lessor is not responsible for carrying insurance covering Lessee's property.
- 5. Waiver of Subrogation.** Each party hereby waives any and every claim which arises or may arise in its favor and against the other party hereto during the Term for any and all loss or damage to any of its property located within or upon or constituting a part of the Premises, which loss or damage is covered, or is required to be covered, by the terms of this Lease, by valid and collectible fire and extended coverage insurance policies, and if and to the extent reimbursement is made, even if such loss or damage shall be brought about by default or negligence of the other party or by its employees, agents, servants or any persons claiming under them.

**6. Permitted Use; Alterations.** Lessee will use the Premises solely for the storage of Lessee's personal property and for no other purpose. Lessee shall not commit waste on the Premises. No alterations, additions or improvements shall be made to the Premises, and no equipment or fixtures shall be installed in the Premises, without Lessor's prior written consent. Use of the Premises shall be subject to rules and regulations adapted by Lessor from time to time.

**7. Hazardous Substances.** Lessee shall keep the Premises, the Building and the Common Areas free from contamination by or from any hazardous substances or hazardous waste (as such terms are defined or used in applicable state or federal law or in the regulations issued thereunder, including, but not limited to, the federal Comprehensive Environmental Response, Compensation and Liability Act (collectively, "Hazardous Substances").

**8. Compliance With Laws.** Lessee shall comply with all requirements of duly constituted public authorities, and with the terms of any federal, state or local law, statute, regulation, code ordinance or order applicable to Lessee or to Lessee's use of the Premises, the Building and the Common Areas, and Lessee shall indemnify, defend and save Lessor harmless from any and all penalties, fines, costs or other damages, including without limitation, attorney's fees, resulting from its failure to do so. Lessee shall not carry on any unlawful business in or about the Premises, and shall not carry on any business or activity which would endanger the Premises or any portion thereof from fire or cause a forfeiture of any fire insurance that Lessor has or may have on the Building.

**9. Compliance With Building Rules.** Lessee shall comply with all the building rules established by management. Lessee or their employees cannot block or place any items in egress paths including exit doors. Lessee and their employees cannot leave any property in any area except their leased space. Lessee or their employees must remove their trash from the building and put in the trash containers outside. Lessee and their employees must keep their leased area clean. Vehicles in the parking lot are for daytime parking only and cannot be left over night in the parking lot. Vehicles left over night are subject to towing at the owners expense. Any violation of the rules shall constitute a default by Lessee under this Lease and be subject to immediate termination of the Lessee's lease.

**10. Liability.** Neither Lessor nor its manager, members or employees shall be liable for any injury to any person while on the Premises, the Building or the Common Areas or for damage to property while located on the Premises, the Building or the Common Areas, whether owned by Lessor, Lessee or third parties, whether caused by or resulting from any act, omission or negligence of Lessor or any of its respective agents, servants, or employees, or by fire, or by any other casualty or condition existing on or resulting to the Premises, the Building or the Common Areas during the Term (except for acts caused by the willful misconduct of Lessor or Lessor's agents or employees), nor shall Lessor nor its manager, members or employees be liable in any claim for damages by reason of inconvenience or interruption to the business of Lessee, irrespective of the cause therefor (except for acts caused by willful misconduct of Lessor or Lessor's agents or employees). Lessee shall maintain all of the insurance policies and coverages referred to in the Lease against any loss or liability on account of any such claim. Lessee shall indemnify, defend and save Lessor harmless from any and all losses, liabilities, damages or costs, including, without limitation, attorney's fees, resulting from the acts or omissions of Lessee or its agents or employees.

**11. Assignment.** Lessee may not assign or transfer this Lease, or sublet the Premises, without Lessor's prior written consent, which may be withheld by Lessor in its sole discretion.

**12. Surrender; Holdover.** On expiration or early termination of this Lease, Lessee shall surrender the Premises broom clean and free of all debris and in the same condition as at the Commencement Date, subject only to reasonable wear from ordinary use. Lessee shall remove all of its personal property, and shall remove any alterations or improvements made by Lessee if required by Lessor, and Lessee shall repair all damage resulting from such removal. Failure to remove shall be an abandonment of the property, and Lessor may remove or dispose of it in any manner without liability, and recover the cost of removal and other damages from Lessee. If Lessee fails to vacate the Premises when required, including failure to remove all its personal property, Lessor may elect to either: (i) continue to treat Lessee as a tenant from month to month, subject to the provisions of this Lease, except that Rent shall be twice the Rent being charged when the Lease term expired; or (ii) eject Lessee from the Premises (using self-help or otherwise) and recover damages caused by wrongful holdover.

**13. AS-IS.** The Premises are leased to Lessee AS IS and in the condition now existing, with no alterations or other work to be performed by Lessor. Lessee has inspected the Premises and is satisfied with the size, location and condition of the Premises. Lessee acknowledges that Lessor does not warrant any security alarm system or other security for the Premises.

**14. Right of Entry.** Lessor shall have the right to enter the Premises at any time to confirm Lessee's compliance with this Lease and make any necessary repairs, and in the event of an emergency.

**15. Complete Agreement.** This Lease constitutes the entire agreement of the parties and supersedes all prior written and oral agreements and representations and there are no implied covenants or other agreements between the parties except as expressly set forth in this Lease.

**16. Default and Remedies.** Any of the following shall constitute a default by Lessee under this Lease (time of performance being of the essence of this Lease): (i) Lessee's failure to pay rent within five (5) days after written notice from Lessor; provided, however, that Lessor shall not be required to give such written notice more than twice in any 12-month period, (ii) Lessee's failure to comply with any other provision of this Lease within fifteen (15) days following written notice from Lessor specifying the noncompliance, (iii) Lessee's insolvency, assignment for the benefit of its creditors, commencement of proceedings under any provision of any bankruptcy or insolvency law, or the appointment of a receiver for Lessee's properties, or (iv) Lessee's vacation or abandonment of the Premises without the written consent of Lessor. Upon any default, Lessor shall have the right to the following remedies, which are intended to be cumulative and in addition to any other remedies provided under applicable law or under this Lease: (a) Lessor may at its option terminate this Lease, without prejudice to its right to damages for Lessee's breach, (b) with or without termination, Lessor may enter and retake possession of the Premises by any means (including self-help) and may use or relet the Premises without accepting a surrender or waiving the right to damages, (c) Lessor may recover all damages caused by Lessee's default, including but not limited to an amount equal to delinquent Rent and future Rent lost because of the default.

**17. Attorney Fees.** If Lessor incurs attorney fees because of a default by Lessee, Lessee shall pay all such fees whether or not litigation is filed. In any litigation arising out of this Lease, including any bankruptcy proceeding, Lessor shall be entitled to recover attorney fees and expert witness fees and statutory costs incurred in arbitration, trial and on any appeal or petition for review.

**18. Applicable Law.** This Lease shall be construed and interpreted under the laws of Oregon.

**Lessor: Podium Properties, LLC,**  
an Oregon limited liability company

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