

BUSINESS ENTERPRISE BEC LEASE AGREEMENT

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LEASE

BUSINESS ENTERPRISE BEC, INC.

THIS LEASE is made at Corvallis, Oregon, this XXth day of Month, by and between the BUSINESS ENTERPRISE BEC, INC., a duly authorized non-profit corporation, hereinafter referred to as THE BEC, and Company Name hereinafter referred to as RESIDENT.

SECTION 1. LEASE

1.1 THE BEC hereby leases to the RESIDENT the office designated as Room X as described in "Exhibit A" attached hereto, plus RESIDENT's non-exclusive use of common areas.

1.2 In addition to the leasehold, RESIDENT shall have a nonexclusive right of access to such common areas as THE BEC determines to be necessary to the use of the leasehold. THE BEC shall provide keys to such common areas for RESIDENT use as appropriate. Furthermore, RESIDENT shall be entitled to various services to be provided by THE BEC as described in Exhibit B attached hereto and incorporated herein as though fully set forth.

SECTION 2. OCCUPANCY

2.1 The RESIDENT shall pay to THE BEC as occupancy the sum of (xxxx dollars) (\$x00.00) per month. Payment is due in advance.

2.2 If the RESIDENT fails to pay any occupancy payment on or before the tenth day of the month for which it is due, RESIDENT shall pay to THE BEC, as additional occupancy, a penalty of five percent (5%) of the monthly occupancy.

2.3 RESIDENT shall, prior to occupancy, post a security deposit with the BEC equal to one month's occupancy plus \$100.00. If RESIDENT defaults in any occupancy payment, the BEC may elect to apply the security deposit toward occupancy to the extent of the default. If RESIDENT defaults in the performance of any other lease obligation, and if the BEC elects to remedy the default, the BEC may also elect to apply the security deposit toward the additional occupancy created by the BEC's resulting expenses, to the extent of such expenses. Any such application of part or all of the security deposit may be made without prior notice to RESIDENT and is in addition to all other of the BEC's remedies. At the expiration or sooner termination of this lease, (a) if RESIDENT is not in default, the security deposit balance shall be paid to RESIDENT, or (b) if RESIDENT is in default, the BEC may retain the security deposit balance until the BEC's damages are ascertained.

2.4 Escalation.

After the initial term the base rent shall be THE BEC's current rates for each category of RESIDENT. THE BEC's Board will annually review lease rates in comparison to inflation and low market rates and advise RESIDENT of lease rates for the renewal term.

SECTION 3. MAINTENANCE AND REPAIRS; ALTERATIONS

3.1 The RESIDENT shall provide at its own cost routine maintenance items, excluding routine cleaning and janitorial services.

3.2 In case of any damages or injury to the glass in demised premises or damage or injury to these same premises of any kind whatsoever, said damage or injury being caused by the carelessness, negligence or improper conduct of the RESIDENT, its agents, servants, guests, or employees, then the RESIDENT shall cause the said damage or injury to be repaired in equal quality and type as speedily as possible at its own cost and expense, otherwise the same shall be replaced or repaired by THE BEC at the cost of the RESIDENT .

3.3 RESIDENT may, with the prior written consent of THE BEC's Board of Directors, make alterations to the LEASEHOLD at its own expense, provided such alterations do not impair the structure in which the LEASEHOLD is situated.

3.4 Any alterations become the property of THE BEC.

SECTION 4. TERM

4.1 The term of this lease shall be for a period of one months commencing on Month. xx, 200_ and ending on month xx, 200_.

SECTION 5. EMPLOYEES

5.1 The RESIDENT agrees not to discriminate against any applicant or trainee or employee on the grounds of race, creed, color, political affiliation or belief, sex, national origin, sexual orientation, age or handicap (except where any of these is a bona fide occupational qualification), as required by Title VI and VII of the Federal Civil Rights Act of 1964 Section 504 of the Rehabilitation Act of 1964."

SECTION 6. USE OF LEASEHOLD PREMISES; CONDITION

6.1 RESIDENT shall continuously use the premises for the purpose of (enter purpose of resident company) and for no other purpose without THE BEC's prior written consent. RESIDENT has the sole responsibility to determine the suitability of the premises for that use. RESIDENT shall not make any unlawful, improper, or offensive use of the premises nor suffer any waste thereof. RESIDENT shall not permit any objectionable noise, vibration, hazardous waste or odor to escape or be emitted from the premises. RESIDENT shall not permit anything to be done which tends to create a nuisance or which adversely affects the ability of other RESIDENTs in the premises to conduct their respective businesses. RESIDENT shall not engage in any activities which are extra hazardous on account of fire.

6.2 RESIDENT acknowledges that the premises are in good condition and repair as of the date of this lease. This acknowledgment includes, without limitation, all window glass, electrical fixtures, plumbing, heating, wiring, and sewage system.

6.3 The premises are leased in an unfurnished condition. THE BEC has no obligation to provide any items of furniture to RESIDENT during the lease term. THE BEC may, at its sole discretion, loan items of furniture or other personal property to RESIDENT during the term of this agreement. In such event and upon vacation of the premises, RESIDENT shall return any such personal property to THE BEC in as good condition and repair as when received by RESIDENT, normal wear and tear excepted.

6.4 The RESIDENT agrees during the term of this lease to keep the floor of these premises in a clean and sanitary condition, to use all necessary and approved safeguards against fire risk, to maintain drip pans under its machinery for the purpose of preventing soil, grease or ink or other wet material from sinking into the floor of the premises leased. The RESIDENT shall not cause any holes to be made in said floor or walls for the purpose of anchoring machinery, shelving, office partitions or for any other reason whatsoever, unless prior written authorization is obtained from THE BEC.

6.5 The RESIDENT further agrees that no dogs other than assistance dogs are to be allowed on the premises. Furthermore, the RESIDENT shall be responsible for all and any damages caused by said animal.

SECTION 7. NO PARTNERSHIP

7.1 BEC is not a partner or joint venture with RESIDENT in connection with RESIDENT 's business conducted on the leasehold.

SECTION 8. BUSINESS ACCELERATOR PROVISIONS

8.1 RESIDENT CLIENT acknowledges that THE BEC is an accelerator facility for small businesses, whose primary function is to promote economic development and job creation in Benton and Linn Counties by rendering assistance to new or emerging small businesses. THE BEC may include in its rules and regulations for RESIDENT CLIENT certain requirements concerning RESIDENT CLIENTS business operations. RESIDENT CLIENT agrees to comply with these rules and regulations as set forth on Exhibit C.

SECTION 9. INSURANCE; INDEMNITY

9.1 RESIDENT shall immediately obtain and continuously maintain during the term of this lease agreement, and any renewal thereof, liability insurance in form and with an insurer satisfactory to THE BEC, naming THE BEC, its employees, Board of Directors and RESIDENT as insured against all liability for damages to persons and property arising out of RESIDENT's activities on or any condition of the premises with limits of at least \$500,000 for injury to one person, \$1,000,000 for injuries arising out of any one occurrence, and \$50,000 for property damage. At the BEC's request, RESIDENT shall furnish to THE BEC satisfactory evidence of continuing compliance with the terms of this paragraph. Should THE BEC receive notice of cancellation of said insurance it shall have the right to terminate RESIDENT's operations immediately, not to start again until THE BEC receives new copies evidencing that insurance as described in this section is in full force and effect.

9.2 The RESIDENT shall indemnify and save THE BUSINESS ENTERPRISE BEC, INC. and the Board of Directors of THE BUSINESS ENTERPRISE BEC, INC. harmless from all claims or liabilities of any type or nature to any person, firm, or corporation, including any agents or employees of the RESIDENT arising in any manner from the RESIDENT's performance of operations and business covered by this agreement.

9.3 It is expressly understood and agreed by and between the parties to this agreement that THE BEC shall not be liable for: Any damage or injury caused by water which may be sustained by the RESIDENT or other person; or any other damage or injury resulting from the carelessness, negligence or improper conduct on the part of any other RESIDENT or agents or

employees thereof; or by reason of the breakage, leakage, or obstruction of the water sprinkler or soil pipes, electric conduits or wiring or other leakage or breakage in or about said building, unless due to THE BEC's negligence.

SECTION 10. COMPLIANCE WITH LAW

10.1 RESIDENT shall comply with all statutes, regulations, ordinances, building codes, rules and other laws of all federal, state, county, and municipal bodies and agencies concerning the use of the premises at all times and shall indemnify THE BEC for any damage caused by violation thereof. RESIDENT shall also comply with any rules or regulations concerning the use of the premises promulgated by The Board of Directors of THE BEC. Periodic no notice safety inspections may be conducted by the City of Corvallis Fire Department, an insurance company, or representatives of other government agencies.

SECTION 11. FIRE DAMAGE

11.1 In case of fire, the RESIDENT shall immediately give notice thereof to THE BEC, who shall thereupon cause the damages to that portion of the building hereby leased to be repaired, but if the premises be so damaged that THE BEC shall decide not to rebuild, the term shall cease and the accrued occupancy shall be paid up to the time of said fire. In case, however, the destruction of the premises by fire shall be only partial and a portion thereof shall during the period of repairs be fit for occupancy of the RESIDENT for the purpose for which said premises are leased, then the occupancy shall be equitably apportioned and paid for the part so fit for occupancy.

SECTION 12. ASSIGNMENT OR SUBLEASE

12.1 No part of the premises may be assigned, mortgaged, or subleased by RESIDENT, nor may a right of use of any portion of the premises be conferred on any person voluntarily or involuntarily by any other means, without the prior written consent of THE BEC. This provision shall apply, without limitation, to all transfers by operation of law and all transfers to and by trustees, including trustees in bankruptcy, receivers, conservators, and personal representatives of decedents' estates. A purported assignment, sublease, transfer or other matter or transaction in violation of this paragraph shall be void. Consent by THE BEC to one assignment or sublease shall not destroy or waive this provision; all later assignments and subleases shall likewise require THE BEC's prior written consent. Any subRESIDENT or assignee shall become liable directly to THE BEC for all obligations of RESIDENT hereunder, without relieving RESIDENT's liability therefore.

SECTION 13. RESIDENT'S INSPECTION OF PREMISES

13.1 RESIDENT acknowledges that RESIDENT has relied solely upon RESIDENT's own independent inspection, investigation, and opinion of the premises and its quality, value, suitability, and business potential for the contemplated use; and that RESIDENT has not relied upon any such representation by THE BEC or any agent of THE BEC, except to the extent that any representation may be contained in this lease.

SECTION 14. INSPECTION BY LANDLORD

14.1 At all reasonable times THE BEC and THE BEC's agents shall have access to all portions of the premises for the purpose of inspecting the condition of the premises and to exercise any right or power reserved by THE BEC under this lease, including but not limited to making any necessary repairs or other alterations. If RESIDENT changes the lock to an office a key should be provided to the BEC.

SECTION 15. SIGNS

15.1 RESIDENT shall not erect or paint any signs on any portion of the premises without obtaining THE BEC's prior written consent. Upon termination of this lease, at RESIDENT's sole cost, RESIDENT shall remove all signs which THE BEC may then require to be removed. THE BEC reserves the right to erect signs and to lease, license, or otherwise grant to others the right to erect exterior signs in the premises.

SECTION 16. VACATION OF PREMISES

16.1 RESIDENT covenants to vacate the premises at the end of the lease term and agrees that if there is any holding over after the end of the term with THE BEC's consent, such consent shall be for a month to month tenancy. Upon vacation RESIDENT shall deliver all keys to THE BEC and leave the premises and any personal property belonging to THE BEC in as good condition and repair as the same were at the beginning of the term, normal wear and tear excepted.

16.2 The BEC reserves the right at any time during the lease term to give at least a 60 day notice to vacate to RESIDENT, and the lease shall terminate at the end of the designated notice period. Upon vacation RESIDENT shall deliver all keys to THE BEC and leave the premises and any personal property belonging to THE BEC in as good condition and repair as the same were at the beginning of the term, normal wear and tear excepted.

SECTION 17. DEFAULT

17.1 Each of the following shall be a default by RESIDENT and a breach of this lease:

- a. Failure to pay rent or any part thereof within 10 days after it is due.
- b. Failure to comply with any other term or fulfill any other obligation of this lease agreement within ten (10) days after receiving written notice from the BEC requesting such compliance.
- c. The insolvency of RESIDENT; an assignment by RESIDENT for the benefit of creditors; the filing by RESIDENT of a voluntary petition in bankruptcy; an adjudication that RESIDENT is bankrupt; the filing of an involuntary petition of bankruptcy against RESIDENT and the failure of RESIDENT to secure a dismissal of the petition within 30 days after filing; the appointment of a receiver over a substantial portion of the properties of RESIDENT; the attachment of or the levying of execution on the leasehold interest and failure of RESIDENT to secure discharge of the attachment or release of the levy of execution within 10 days.
- d. Abandonment of the premises, for which purpose abandonment means a failure of RESIDENT to occupy the premises for one or more of the purposes permitted under this lease for 15 days or more, unless such failure is excused under other provisions of this lease.

- e. Failure by RESIDENT within 10 days after receiving written notification from THE BEC to prevent, correct, or abate nuisances or other grievances which directly or indirectly cause interference with, harm, or damage to the operations or products of another RESIDENT or RESIDENTS of THE BEC's buildings.

17.2 If RESIDENT is in default THE BEC may elect to terminate this lease by notice in writing to RESIDENT. THE BEC may exercise this option at the time of such default or at any time thereafter, and upon giving that notice this lease shall then expire as if the date of notice had been originally fixed as the lease expiration date. Provided, if the premises are abandoned by RESIDENT in connection with a default, termination shall be automatic and without notice.

17.3 Damages without termination: If the lease is not terminated by election of THE BEC or otherwise, THE BEC shall be entitled to recover damages from THE RESIDENT for the default.

17.4 Rights and liabilities upon termination: If this lease is terminated for any reason by election of THE BEC or otherwise, RESIDENT's liability to THE BEC for damages shall survive termination, and the rights and obligations of the parties shall be as follows: (1) RESIDENT shall vacate the premises immediately, remove any property which RESIDENT is required to remove under this lease and perform any clean-up, alterations, or other work necessary to leave the premises in the condition required under this lease; (2) THE BEC may reenter, take possession of the premises and remove any persons or property by legal action or self help. No reentry by THE BEC shall be deemed an acceptance of surrender of this lease.

17.5 Re-letting: Following any reentry by THE BEC or abandonment by RESIDENT, THE BEC may re-let the premises but THE BEC shall not be required to re-let for any use which THE BEC reasonably considers injurious to the premises or to any RESIDENT whom THE BEC reasonably considers objectionable or unsuitable as a RESIDENT in a small business accelerator. THE BEC may re-let all or any portion of the premises for a period equal to, longer or shorter than the remaining term of this lease, upon any reasonable terms and conditions as THE BEC may decide. If sums received by THE BEC on a re-letting exceed the occupancy reserved hereunder, THE BEC shall not be required to pay any portion of that surplus to RESIDENT .

17.6 Damages upon termination: If this lease is terminated upon default by RESIDENT, whether by election of THE BEC or otherwise, RESIDENT's liability to THE BEC for damages shall survive termination. Without waiting until the due date of any future occupancy or until the date fixed for expiration of the lease term, THE BEC shall be entitled to immediately recover a sum equal to the amount of all occupancy which has accrued as of the termination date and a sum equal to the reasonable costs of reentry and re-letting, including without limitation the cost of clean up; refurbishing; removal of RESIDENT's property and fixtures, or any other expenses occasioned by RESIDENT's failure to quit the premises upon termination and to leave the premises in the required condition; attorneys fees; and court costs. THE BEC may also recover and RESIDENT agrees to pay monthly sums on or before the day of each month on which the occupancy hereunder would have been payable if this lease had not terminated, each of such monthly sums to be an amount equal to the monthly occupancy reserved hereunder less any monthly occupancy received from a re-letting of the premises for the corresponding month. Actions for the recovery of such damages or any installments thereof may be brought by THE BEC at THE BEC's election, and nothing contained herein shall be deemed to require THE BEC

to postpone such action until the date when this lease term would have expired, if the lease had not been terminated.

17.7 If RESIDENT fails to perform any lease obligation, THE BEC shall have the right but no obligation to perform the same after 10 days written notice to RESIDENT. RESIDENT covenants to reimburse THE BEC for all of THE BEC's expenditures to correct the default which shall be immediately paid upon THE BEC's demand.

17.8 Remedies cumulative: The foregoing remedies are in addition to and shall not exclude any other remedy available to THE BEC under applicable law.

SECTION 18. ATTORNEY FEES

18.1 If civil action is instituted by either party to establish or enforce any right under this lease; to recover any amounts due hereunder; to correct a breach of any covenant, term, or condition hereof; or to litigate any other matter arising from the execution of this agreement, the prevailing party in the trial court and the prevailing party on any appeal shall recover reasonable attorney fees awarded by the trial and appellate courts in addition to costs and disbursements. The provision shall survive any termination of this lease.

SECTION 19. NON-WAIVER

19.1 Failure by THE BEC to require RESIDENT's strict performance of any lease terms shall not affect THE BEC's right to enforce the same, nor shall a waiver of default be construed to be a waiver of any succeeding default or a waiver of this clause. To be effective, any waiver by THE BEC must be written and signed by THE BEC.

SECTION 20. NOTICE

20.1 All written notices shall be mailed to THE BEC at 1965 SW Airport Avenue, Corvallis, Oregon, 97333 and to the RESIDENT at 1965 SW Airport Avenue, Corvallis, Oregon 97333, or at such other addresses as the parties shall designate in writing. Notice shall be deemed given when deposited in the United States mail, certified or registered, addressed as provided in this paragraph with postage fully prepaid.

SECTION 21. HOURS OF OPERATION

21.1 THE BEC covenants and agrees that it will keep said building open and in operation Monday through Friday from 8:00 am to 5:00 pm, legal holidays excepted, and will furnish heat in said premises during the winter season for about seventy (70) degrees in the daytime and about sixty (60) degrees in the night.

SECTION 22. MISCELLANEOUS

22.1 This lease shall bind and shall inure to the benefit of the parties and their respective successors, heirs, personal representatives, and to the extent this lease is assignable by its terms, the assigns of the parties.

EXHIBIT A MAP

EXHIBIT B

DESCRIPTION OF LEASE SERVICES

1. Use of common areas and restrooms
 - a. Refrigerator
 - b. Coffee and tea on a pay-per-cup/pot basis
2. Use of conference rooms on a scheduled basis
3. Basic custodial service
4. Use of copy machine on a pay-per-copy basis
5. Use of telefax machine on a pay-per-transmission/receipt basis
6. INTERNET access

EXHIBIT C

BUSINESS PROVISIONS.

The following terms and conditions apply to CLIENTS.

1. CLIENT acknowledges that THE BEC is an accelerator facility for small businesses, and the BEC may include in its rules and regulations for CLIENTs certain requirements concerning CLIENT's business operations.
2. **ADVISORY COMMITTEE:** CLIENT shall form an Advisory Committee, to advise and assist in expanding and growing the business. The ADVISORY COMMITTEE will review the company business plan, must meet at least quarterly and will review quarterly financial reports of the business. If requested, the BEC Board members will assist in finding ADVISORY COMMITTEE members. The ADVISORY COMMITTEE shall not have decision making authority with the business; their role is solely advisory. The BEC will issue additional information regarding the required composition of the ADVISORY COMMITTEE and its role and functions.
3. In order to maintain CLIENT status, all clients shall form and utilize an ADVISORY COMMITTEE. If a new CLIENT does not form an ADVISORY COMMITTEE within three months of entrance date and report to the BEC Board within six months of entrance date, status and rental rates will change to TENANT. Competing companies may not have the same ADVISORY COMMITTEE members.
4. **Time Schedule:**

Application for occupancy as a CLIENT is not complete unless it includes an ADVISORY COMMITTEE.
 - a. New CLIENTS are required to attend a Board meeting within six (6) months of occupancy or they will be transitioned to a TENANT status;
 - b. Board members serving on ADVISORY COMMITTEES will report quarterly on the CLIENT ADVISORY COMMITTEE meetings;
 - c. CLIENTs move automatically to TENANT status after three years of entry into the BEC.
5. **RESIDENT CLIENT** is expected to graduate from the BEC within four years of entry and is encouraged to relocate in the Linn-Benton County area.