

The term "Base Index" shall mean the average Consumer Price Index for All Urban Consumers, Portland, Oregon - Washington All Items (1967 = 100) for the 1980 Calendar year as compiled by the United States Department of Labor, Bureau of Labor Statistics.

If payment for rent is not received by Lessor within thirty (30) days of the due date, Lessee agrees to pay to Lessor an additional sum equal to ten percent (10%) of the amount in default, said sum being liquidated damages and not a penalty.

SECTION THREE

Repairs

Lessee shall, at all times during the lease and at their own cost and expense, repair, replace, and maintain in a good, safe and substantial condition, the building and any improvements, additions, and alterations thereto, on the demised premises, and shall use all reasonable precaution to prevent waste, damage, or injury to the demised premises, excluding acts of God not covered by insurance. Lessee shall not be liable for any collapse or failure of ceiling insulation or ceiling.

SECTION FOUR

Taxes

Lessee shall pay to the proper authority on or before the last day on which payment may be made without penalty or interest all taxes, including any leasehold tax due the State of Washington, assessments, or other governmental charges that shall or may during the lease term be imposed on, or arise in connection with the use of, the demised premises or any part thereof. It is the intention of the parties that the rent herein is net rental, and Lessor shall receive the same free from all taxes that are made payable by Lessee.

SECTION FIVE

Utilities

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity, and telephone services.

SECTION SIX

Security Deposit

Lessee shall deposit with Lessor an irrevocable letter of credit from a banking institution acceptable to Lessor, or other security satisfactory to Lessor, in the amount of \$7,500.00 which shall be held by Lessor for the full term of this lease as security for the full and timely performance by Lessee of the terms and conditions herein and for the payment of any final judgment that may be rendered against Lessee for a breach of those terms and conditions. The rights of Lessor against Lessee for a breach of this lease shall in no way be limited or restricted by this security deposit, but Lessor shall have the absolute right to pursue any available remedy to protect its interests herein, as if this security deposit had not been made. The deposit shall be returned to Lessee at the expiration of this lease provided that all the terms and conditions herein contained have been fully performed by Lessee. Should the demised premises be sold, Lessor may transfer or deliver this security deposit to the purchaser of the interest, and Lessor shall then be discharged from any further liability with respect to the security deposit.