

LEASE AMENDMENT AGREEMENT

THIS LEASE AMENDMENT AGREEMENT is made Dec 1, 2004 by and between **WHITE CITY DEVELOPMENT**, a partnership dba **THE LAKEWOOD GROUP**, hereinafter called "**Landlord**" and **DAVID R. THOMASON** and **ROBERT W. BRUTKE** and **PURPLE PARROT OF OREGON, LLC**, an Oregon limited liability company, hereinafter collectively called "**Tenant**".

RECITALS

A. By Lease dated February 28, 1997 (the "**Lease**"), Landlord leases to Tenant certain premises containing approximately 2,000 rentable square feet (the "**Premises**") consisting of a portion of a building in the Lakewood Shopping Center in White City, Oregon, as more particularly described in the Lease.

B. Landlord and Tenant desire to amend the terms of the Lease as provided in this instrument.

AGREEMENTS

In consideration of the mutual covenants and promises contained in this Agreement, Landlord and Tenant covenant and agree that the Lease is amended, supplemented, and modified as follows:

1. **Lease Term.** The term of the Lease, as previously extended to February 28, 2007 pursuant to Tenant's exercise of the renewal option under Section 1.02 of the Lease, is hereby further extended until February 28, 2011. Tenant has no further option to renew the Lease under Section 1.02 of the Lease or otherwise.

2. **Basic Rent.** Commencing on [December] 1, 2004, the basic rent under Section 2.01 of the Lease shall increase to \$2,400 per month (calculated as \$1.20 per square foot per month times the agreed rentable square footage of 2,000 square feet). Nothing in this Amendment shall affect or limit Tenant's obligation to pay other amounts owing by Tenant under the Lease, including without limitation amounts described as additional rent under Section 2.02 of the Lease.

3. **Escalation of Basic Rent.** The provisions in Section 2.03 of the Lease for escalation of basic rent shall, with respect to basic rent coming due from and after the date of this Amendment, be replaced with the following:

"The basic rent for the Premises shall be increased as of March 1 of each year, commencing March 1, 2005 by a percentage of the basic rent paid for the prior year, which percentage is equal to the percentage increase in the Consumer Price Index published by the United States Bureau of Labor Statistics. The comparison shall be made using the index for "All Urban Consumers, all U.S. Cities, Subgroup All Items". The percentage increase shall be determined by a comparison of the figure for February of the

year of adjustment with that for February of the preceding year. If the figure for February is not available, then adjustment will be computed as soon as it is available and made retroactive to March 1. If the consumer Price Index provided for above is not available, then Landlord may utilize some other generally used and recognized index of prices as a substitute index."

4. **Signs.** All signs placed on the Premises by or on behalf of Tenant shall be subject to Section 11 of the Lease and shall further comply with applicable laws and Landlord's sign criteria for the Shopping Center attached hereto as Exhibit A.

5. **Limits on Use.** Without limiting the generality of the limitations on the use that Tenant may make of the Premises as set forth in the Lease (as modified by this Amendment), Tenant acknowledges and agrees that it shall not sell chicken as its main menu item and shall not operate the following in the Premises:

- a. A "single price point variety retail store" (meaning a store that offers all of its merchandise for sale at a single price point).
- b. A "closeout store" (meaning a store that sells only discontinued merchandise).
- c. A retail store whose "principal business" (defined below) is:
 - i. Selling variety retail merchandise at a single price point;
 - ii. Selling gifts, cards and other party supplies (individually or collectively); or
 - iii. Selling artificial flowers and picture frames (individually or collectively); or
- d. Variety retail operations with the word "Dollar" in its trade name.

For purposes of this Lease, "principal business" means selling such merchandise in twenty-five percent (25%) or more of the sales floor area (including one-half of the adjacent aisle space).

6. **Breach by Landlord.** In the event any damages are awarded to Tenant against Landlord (including all or any of the persons, trustees or entities comprising Landlord) for breach of this Lease, as modified by this Amendment, Tenant's sole recourse shall be against the interest of Landlord in the Shopping Center as the same may then be encumbered, and Landlord (including all or any of the persons, trustees or entities comprising Landlord) shall have no personal liability therefor.

7. **Conveyance by Landlord.** In the event all or any of the persons, trustees or entities comprising Landlord sell or transfer their or his/her/its interest in the Premises during the term of the Lease, as modified by this Amendment, the persons, trustees or entities so transferring such interest shall be discharged from any obligations and responsibilities under the

Lease, as modified by this Amendment, with respect to the interest so transferred from and after the effective date of the sale or transfer, except for those already accrued.


8. **Joint and Several Liability.** In the event Tenant now or hereafter consists of more than one person, firm or corporation, then all such persons, firms or corporations shall be jointly and severally liable as Tenant under the Lease, as modified by this Amendment.

9. **Incorporation.** The terms and conditions of this Amendment are hereby incorporated in and made a part of the Lease. Except to the extent expressly inconsistent herewith, the provisions of the Lease are hereby ratified and confirmed. In the event of any conflict between the terms of the Lease and those of this Amendment, the terms of this Amendment shall prevail.

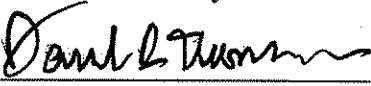
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first set forth above.

LANDLORD:


WHITE CITY DEVELOPMENT,
a partnership dba **THE LAKEWOOD GROUP**

By: 
Name: John Baker
Its: agent

TENANT:

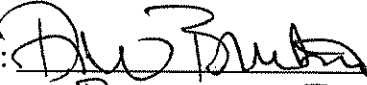

David R. Thomason, Individually

PURPLE PARROT OF OREGON, LLC
an Oregon limited liability company

By: 
Name: DAVID R THOMASON
Its: MEMBER

Robert W. Brutke, Individually

PURPLE PARROT OF OREGON, LLC
an Oregon limited liability company

By: 
Name: ROBERT W. BRUTKE
Its: MEMBER

Lakewood Shopping Center
SIGN CRITERIA
"Exhibit A"

These criteria have been established for the purpose of assuring an outstanding Shopping Center, and for the mutual benefit of all tenants. Conformance will be strictly enforced, and any installed nonconforming or unapproved signs must be removed or brought into conformance at the expense of Tenant.

A. General Requirements

1. Tenant shall submit or cause to be submitted to Landlord for approval before Fabrication one (1) print of its preliminary sign design, including colors and dimensions, and after preliminary approval one (1) print of detailed shop drawings indicating the location, size, layout, design and color of the proposed signs, awning and banners, including all lettering and graphics.
2. All permits for signs and their installation shall be obtained by the Tenant or its representative, at Tenant's expense.
3. All signs shall be constructed and installed at Tenant's expense.
4. The sign standard for the Shopping Center shall be internally illuminated with Plexiglas or Lexan faces. Single face sign cabinets 3 feet x 12 feet. Cabinet color consistent with center's colors and specified by owner. Tenant panels as approved by landlord per this criteria.
5. Unless otherwise specifically permitted, signs shall be centered in store frontage area as consistent with current sign placement on fascia.
6. Tenant shall be responsible for the fulfillment of all requirements of these criteria and shall submit samples of sign material if requested by Landlord's architect.

B. General Specifications

1. All electrically connected signs shall bear the UL label and all installations shall comply with all local building and electrical codes.
2. No crossovers or conduits will be permitted.
3. All cabinets, conductors, transformers and other equipment shall be concealed. Visible fasteners will not be permitted.
4. Electrical service to all signs shall be on Tenant's meter.
5. Painted lettering will not be permitted.
6. All Tenant signs to be controlled by a time clock or sensor and monitored by tenant per the Tenant's panel. Landlord reserves the right to specify consistent times of illumination to give consistent signage for center.

C. Location of Signs

1. Signs shall be permitted only on the storefront unless specifically approved in writing by Landlord and the appropriate local authorities.

D. Design Requirements

1. All Tenant storefront entrance identification designs shall be approved by Landlord.
2. Wording of Tenant's signs shall not include the name or type of product sold unless such is part of Tenant's trade name or insignia.
3. Tenants are encouraged to have signs designed as an integral part of the storefront design with letter size and location appropriately scaled and proportioned to the overall storefront design. The design of all signs, including style and placement of lettering, size, color, materials and method of illumination, shall be subject to the written approval of Landlord's architect.

E. Construction Requirements

1. All penetrations of the building structure required for sign installation shall be neatly sealed in a watertight manner.
2. No labels will be permitted on the exposed surface of signs except those required by local ordinances which shall be applied in an inconspicuous location.
3. Tenant's sign contractor shall repair any damage caused by Tenant's sign contractor. Tenant shall be fully responsible for the operations of Tenant's sign contractor.

F. Miscellaneous Requirements

1. Except as provided herein, no advertising placards, banners, pennants, names, insignia, trademarks, or other descriptive material shall be affixed to or maintained on the glass panes, supports of the show windows and doors, or upon exterior walls of the storefront or building in which the Premises are located, without prior consent of the Landlord.
2. No flashing or animated signs will be permitted.



Signature of Authorized Agent

12-8-04

Date