

### FIFTH AMENDMENT TO LEASE

*Whereas*, on February 2, 2015, Port of Hood River, an Oregon municipal corporation, as Lessor, and Pfriem Brewing Company, LLC, an Oregon limited liability company, as Lessee, executed a Lease of the premises known as Tenant Space 101, 102 and 103 in the Halyard Building and an adjacent patio located at 707 Portway Avenue, Hood River, Oregon (“Lease”); and,

*Whereas*, on June 30, 2015, Lessor and Lessee signed a First Amendment to Lease, which added an updated rent schedule for Suite 103, whereby Lessee agreed to pay a lease rate of \$0.95 per square foot to compensate for a 6-month rent delay; and

*Whereas*, on February 2, 2016, Lessor and Lessee signed a Second Amendment to Lease, which added Suite 104, totaling 4,774 square feet, to the leased premises at a rental rate of \$0.94 per square foot; and,

*Whereas*, on March 6, 2019, Lessor and Lessee signed a Third Amendment to Lease which added additional paid parking spaces for Lessee on Lessor owned property; and,

*Whereas*, on June 3, 2020, Lessor and Lessee signed a Fourth Amendment to Lease for the purposes of (i) deferring Lessee’s rent payment obligations for the six months of May through October of 2020 due to the adverse economic impacts of the COVID-19 pandemic, and (ii) memorializing the intent of Lessor and Lessee to negotiate the terms of a new, replacement lease using Lessor’s updated lease template; and,

*Whereas*, due to Lessee’s commitment to undertake certain infrastructure improvement projects to the Leased Premises, as well as continued economic disruption caused by the COVID-19 pandemic, including government mandated shut-down orders, Lessee has experienced significant adverse economic impacts; and,

*Whereas*, Lessee entered into a “Construction Contract” with a contractor (“Lessee’s Contractor”) to make improvements to the Leased Premises which will allow Lessee’s new brewery equipment and improvements to be used and Lessee’s Contractor has not been paid in full; and,

*Whereas*, Lessor intends to provide funds to Lessee to pay Lessee’s Contractor, which Lessee will repay to Lessor on terms stated hereafter.

*Therefore*, the parties agree the Lease is amended by making the following changes to the Lease, as amended:

1. Subject to Contractor’s compliance with terms stated in this paragraph and each person listed in paragraph 3 below executing a personal guarantee, on forms and at a times satisfactory to Lessor in Lessor’s discretion, Lessor will provide Lessee with a Tenant Improvement Allocation (“TIA”) of \$260,000.00 on or before January 10, 2021. Lessor, in

its sole discretion, may pay the TIA to Lessee or to Lessee’s Contractor on Lessee’s behalf. Upon its receipt of the TIA payment, Lessee’s Contractor will provide Lessee and Lessor with a final release waiving all claims, liens, and rights under the Construction Contract, and indemnifying Lessee and Lessor against any claims of liens asserted by Lessee’s Contractor’s subcontractors or suppliers (“Final Release”). The Final Release will be executed by Lessee’s Contractor on a form approved by Lessee and Lessor before Lessor provides the TIA payment. Lessee will repay the \$260,000.00 to Lessor, plus interest, as additional rent (“TIA Rent”) on the dates and in amounts stated on the attached TIA repayment schedule labelled Exhibit A.

2. The TIA balance payable by Lessee to Lessor will bear interest at a rate of 4% per annum from the date Lessor issues a check for the TIA amount. Accrued interest shall be included in each TIA rent payment until the entire TIA amount, including interest, is paid in full by Lessee.
3. Each of the following individuals will promptly sign a personal guaranty in the forms attached hereto as Exhibit B, guaranteeing payment of Lessee’s TIA repayment obligation: Rudolph Kellner, Joshua Alden Pfriem, Kenneth S. Whiteman and Sonya White.
4. Lessee may apply for governmental assistance through the Payroll Protection Program (“PPP”), or through other governmental assistance programs, which may be used to pay rent. If Lessee receives such governmental assistance Lessee shall make additional TIA Rent prepayments to the extent reasonably possible based on Lessee’s financial condition and other rent obligations owed to Lessor and other landlords.
5. Notwithstanding Lessor’s and Lessee’s desires to execute a new lease using Lessor’s current lease template by early November 2020, as stated in the Fourth Amendment to Lease, execution of a new lease has not occurred. Lessor and Lessee will continue good faith negotiations to agree on terms of a new lease, expected to be executed in the first quarter of 2021.

Except as modified by Amendment No.1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and this Fifth Amendment To Lease, all terms and conditions of the Lease shall remain in full force and effect.

Lessee, Pfriem Brewing Company, LLC

Lessor, Port of Hood River

By: \_\_\_\_\_  
Kenneth Stephen Whiteman  
General Manager  
Date \_\_\_\_\_

By: \_\_\_\_\_  
Michael S. McElwee  
Executive Director  
Date \_\_\_\_\_

**PORT OF HOOD RIVER**

**Amortization Schedule for Additional Rent for TI**

**TI = \$260,000 with accrued interest from January 10, 2021 to September 1, 2021**

**For the period January 10, 2021 to August 1, 2024**

	<u>Pfriem</u>		<u>Accrued Interest</u>	
	<u>1st 12 Months</u>	<u>24-36 Months</u>		
Principle+Interest	\$ 266,638.90	\$ 262,835.17	\$ 6,638.90	Principle=\$260,000
Interest	4.000%	4.000%	4.000%	Interest = \$6,638.90
Term = \$1200	405.56	24	233 Days	Total = \$266,038.90
Period	9/1/2021	1/10/2022	1/10 to 9/1/2021	

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
1	9/1/2021	\$311.21	\$888.80	1,200.00	266,327.70
2	10/1/2021	\$312.25	\$887.76	1,200.00	266,015.45
3	11/1/2021	\$313.29	\$886.72	1,200.00	265,702.16
4	12/1/2021	\$314.33	\$885.67	1,200.00	265,387.83
5	1/1/2022	\$315.38	\$884.63	1,200.00	265,072.46
6	2/1/2022	\$316.43	\$883.57	1,200.00	264,756.03
7	3/1/2022	\$317.48	\$882.52	1,200.00	264,438.54
8	4/1/2022	\$318.54	\$881.46	1,200.00	264,120.00
9	5/1/2022	\$319.60	\$880.40	1,200.00	263,800.39
10	6/1/2022	\$320.67	\$879.33	1,200.00	263,479.72
11	7/1/2022	\$321.74	\$878.27	1,200.00	263,157.99
12	8/1/2022	\$322.81	\$877.19	1,200.00	262,835.17
13	9/1/2022	\$10,537.48	\$876.12	11,413.60	252,297.69
14	10/1/2022	\$10,572.60	\$840.99	11,413.60	241,725.09
15	11/1/2022	\$10,607.85	\$805.75	11,413.60	231,117.24
16	12/1/2022	\$10,643.21	\$770.39	11,413.60	220,474.04
17	1/1/2023	\$10,678.68	\$734.91	11,413.60	209,795.35
18	2/1/2023	\$10,714.28	\$699.32	11,413.60	199,081.07
19	3/1/2023	\$10,749.99	\$663.60	11,413.60	188,331.08
20	4/1/2023	\$10,785.83	\$627.77	11,413.60	177,545.25
21	5/1/2023	\$10,821.78	\$591.82	11,413.60	166,723.47
22	6/1/2023	\$10,857.85	\$555.74	11,413.60	155,865.62
23	7/2/2023	\$10,894.04	\$519.55	11,413.60	144,971.58
24	8/1/2023	\$10,930.36	\$483.24	11,413.60	134,041.22
25	9/1/2023	\$10,966.79	\$446.80	11,413.60	123,074.43
26	10/1/2023	\$11,003.35	\$410.25	11,413.60	112,071.08
27	11/1/2023	\$11,040.03	\$373.57	11,413.60	101,031.05
28	12/1/2023	\$11,076.83	\$336.77	11,413.60	89,954.22
29	1/1/2024	\$11,113.75	\$299.85	11,413.60	78,840.47
30	2/1/2024	\$11,150.80	\$262.80	11,413.60	67,689.68
31	3/1/2024	\$11,187.96	\$225.63	11,413.60	56,501.71
32	4/1/2024	\$11,225.26	\$188.34	11,413.60	45,276.46
33	5/1/2024	\$11,262.68	\$150.92	11,413.60	34,013.78
34	6/1/2024	\$11,300.22	\$113.38	11,413.60	22,713.56
35	7/1/2024	\$11,337.89	\$75.71	11,413.60	11,375.68
36	8/1/2024	\$11,375.68	\$37.92	11,413.60	0.00

GUARANTY OF PAYMENT OF TENANT IMPROVEMENT ALLOCATION OBLIGATION

OWED BY LESSEE TO LESSOR UNDER A LEASE ("Guaranty")

PARTIES: JOSHUA ALDEN PFRIEM, an individual, ("Guarantor"); and  
PORT OF HOOD RIVER, an Oregon municipal corporation ("Port" or "Lessor")

BACKGROUND

A. On February 2, 2015, Port and Pfriem Brewing Company, LLC, an Oregon domestic limited liability company ("Pfriem" or "Lessee"), entered into a lease agreement with Lessor ("2015 Lease") for the premises known as Tenant Spaces 101, 102 and 103 in the Port's Halyard Building, and an adjacent patio located at 707 Portway Avenue, in Hood River, Oregon (the "Leased Premises"). Four amendments to 2015 Lease have been executed, and Lessor and Lessee have agreed to enter in to a Fifth Lease Amendment which has been or will be executed whereby Lessor provides Lessee a \$260,000 Tenant Improvement Allocation subject to Lessee repayment ("TIA"). Reference to the "Lease" hereinbelow includes the terms of all amendments duly executed by Pfriem and the Port as of the date of this Guaranty, and in the future.

B. Guarantor has a business interest in Pfriem or its operations.

C. In consideration of the Port providing the TIA amount to or for Pfriem, and other good and valuable consideration, receipt and sufficiency of which Guarantor acknowledges, Guarantor and Port AGREE AS FOLLOWS:

1. STATEMENT OF GUARANTY. Guarantor irrevocably and unconditionally guarantees payment when due, whether in installments, by acceleration or otherwise, of the TIA amount, together with all interest thereon and all attorney fees, costs, and expenses of collection incurred by the Lessor in enforcing such obligation, whether incurred any time prior to trial, at trial or on appeal.

2. GUARANTY TO CONTINUE. Guarantor acknowledges and agrees that this Guaranty is and shall be an open and continuing guaranty and all obligations and liabilities to which it applies or may apply shall be conclusively presumed to have been created in reliance hereon and shall continue in full force and effect, notwithstanding any (a) change in rentals or other obligations under the Lease and (b) renewals, modifications, additions, or extensions thereto or extensions of time to perform any of Lease obligations including the TIA repayment obligation.

The Guarantor specifically waives notice of assignment by the Lessor and waives notices of any changes, renewals, modifications, additions, extensions, or of any default by the Lessee.

The Guarantor further agrees and consents to any assignment of this Guaranty by Lessor, in which event it shall inure to the benefit of any such assignee with the same force and effect as though the assignee was specifically named in this Guaranty and waives any notice of any such assignment.

3. **ADDITIONAL GUARANTY PROVISIONS.**

3.1 **Waivers by Guarantor.** Guarantor unconditionally and irrevocably, to the extent legally permitted, waives any requirement that Port, in the event of default by Pfriem, first make any demand, or seek to enforce remedies against Pfriem before seeking to enforce this Guaranty, and any claim or circumstance which constitutes a legal or equitable discharge of Guarantor prior to full performance and payment of all obligations owed by Pfriem to Port under the Lease, including any Lease payment obligation.

3.2 **Modifications.** In addition to but not in limitation of the foregoing, Port may, at any time and from time to time, without the consent of, or notice or responsibility to Guarantor, and without impairing or releasing the obligations of Guarantor: (a) modify or amend the manner, place or terms of payment or performance, or change or extend the time of payment or performance, or modify any of the obligations of Pfriem under the Lease, including TIA repayment obligations, and this Guaranty shall apply to such obligations of Pfriem, as so modified, amended, or extended in any manner; (b) exercise or refrain from exercising, in any manner and in any order, any remedy it may have with respect to any obligations of Pfriem, including the TIA repayment obligation; (c) exercise or refrain from exercising any rights against Pfriem or others, including the Guarantor or another guarantor, if any, or otherwise in any way act or refrain from acting; and (d) settle or compromise any obligations of Pfriem, including the TIA repayment obligation.

3.3 **Primary Guaranty.** This Guaranty is, and remains until fully satisfied, a primary obligation of Guarantor. Guarantor's obligations shall be absolute, independent, and unconditional under any and all circumstances.

3.4 **Direct Enforcement.** Port shall not be required to first resort to performance from Pfriem, other guarantors, if any, or other persons or corporations, their properties or estate, or to any rights or remedies whatsoever including the enforcement of any rights or remedies under the Lease against Pfriem, prior to requiring Guarantor to fully satisfy the guaranteed obligations of Guarantor hereunder. The exercise of any such rights or remedies shall not constitute a legal or equitable discharge of Guarantor.

3.5 **Waiver.** Guarantor waives any claim or other right now existing or hereafter acquired against Pfriem, or any other person who is primarily or contingently liable on the obligations under this Guaranty to the extent such claim or right in any way impairs or impedes Port's right to collect any TIA amount owed under the Lease or to enforce any Lease rights, including, without limitation, any right of contribution, indemnity, subrogation, reimbursement, exoneration, and the right to participate in any claim or remedy of the Port against Pfriem or any collateral security therefor which Port now has or hereafter acquires, whether or not such claim, right or remedy arises under contract, law or equity.

3.6 **Reinstatement.** The obligations of Guarantor shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Pfriem is rescinded or must be otherwise restored by any holder of any such obligation, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and Guarantor agrees to indemnify Port on demand for all reasonable payments, costs and expenses, including legal fees, incurred by Port in connection with such rescission or restoration. If payment is made by Pfriem on an obligation guaranteed hereby and thereafter Port is forced to remit the amount of that payment to Pfriem's trustee in bankruptcy or a similar person under any federal or state bankruptcy law or law for the relief of debtors, Pfriem's obligation shall be considered unsatisfied for the purpose of enforcement of this Guaranty.

3.7. Claims in Bankruptcy. Guarantor hereby expressly and irrevocably releases and waives any and all “claims” as now or hereafter defined in the United States Bankruptcy Code (“Code”) of any nature whatsoever, whether known or unknown and whether now existing or hereafter acquired, against Pfriem or the estate of Pfriem in any existing or future bankruptcy case in which the debtors include Pfriem or any other person or entity with respect to which Guarantor is an “insider” (as defined in the Code), to the extent such claims in any manner are related to or arise out of this Guaranty or any obligations guaranteed hereby.

3.8 Impact of Pfriem Bankruptcy. The liability of Guarantor pursuant to this Guaranty shall not be affected in any way by the institution of any proceedings involving Pfriem under the Code or by any action taken in any such proceedings.

4. REMEDIES. Upon a breach of this Guaranty by Guarantor, Port shall be entitled to pursue all legal remedies against Guarantor.

5. GENERAL PROVISIONS.

5.1 Integration. This Guaranty contains the entire agreement and understanding of Port and Guarantor with respect to the matters described herein and supersedes all prior and contemporaneous agreements between Port and Guarantor with respect to such matters.

5.2 Amendment. This Guaranty may not be modified or amended except in writing and signed by Port and Guarantor.

5.3 Attorney’s Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the Code) is instituted in connection with any controversy arising out of this Guaranty or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys’, accountants’, and other experts’ fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by a court, mediator or arbitrator at a hearing or trial or on any appeal or review, in addition to all other amounts provided by law.

5.4 Construction and Interpretation. The headings or titles of the sections of this Guaranty are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Guaranty.

5.5 Waiver. Failure of Port at any time to require performance of any provision of this Guaranty shall not limit Port’s right to enforce such provision, nor shall any waiver of any breach of any provision of this Guaranty constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Guaranty shall be effective only if set forth in writing and signed by Port.

5.6 Severability. If any term or provision of this Guaranty or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Guaranty and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

5.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given upon the earlier of actual delivery or refusal of a party to accept delivery thereof if sent with all postage and delivery charges prepaid by (a) personal delivery, (b) messenger service, (c) overnight courier service, (d) facsimile, if simultaneously transmitted by another means allowed hereunder, or (e) if dispatched by registered or certified mail, return receipt requested, and addressed as follows:

If to the Port: Mr. Michael S. McElwee  
Executive Director  
Port of Hood River  
1000 E. Port Marina Drive  
Hood River, OR 97031

Facsimile No.: (541) 386-1395

With a copy to: Mr. Jerry J. Jaques  
Jaques Sharp  
P.O. Box 457  
Hood River, OR 97031  
Facsimile No.: (541) 386-8771

If to Guarantor: Joshua Alden Pfriem

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

Each party may by notice to the other party specify a different address or fax number for subsequent notice purposes. Notice may be sent by counsel for either party.

5.8 Binding Effect. This Guaranty and each of its provisions shall be binding upon Guarantor and upon the heirs, estate, personal representatives, and successors and assigns of Guarantor, and each of them, respectively, and shall inure the benefit of Port, its successors and assigns.

5.9 Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Oregon. Any litigation arising under this Guaranty shall be litigated in Hood River County, Oregon.

6.0 Effective Date: This Guarantee shall take effect when signed by both parties.

GUARANTOR: \_\_\_\_\_  
JOSHUA ALDEN PFRIEM

DATE: \_\_\_\_\_

PORT OF HOOD RIVER  
An Oregon municipal corporation

By: \_\_\_\_\_  
MICHAEL S. McELWEE, Executive Director

DATE: \_\_\_\_\_

GUARANTY OF PAYMENT OF TENANT IMPROVEMENT ALLOCATION OBLIGATION

OWED BY LESSEE TO LESSOR UNDER A LEASE ("Guaranty")

PARTIES: KENNETH STEPHEN WHITEMAN, an individual, ("Guarantor"); and  
PORT OF HOOD RIVER, an Oregon municipal corporation ("Port" or "Lessor")

BACKGROUND

A. On February 2, 2015, Port and Pfriem Brewing Company, LLC, an Oregon domestic limited liability company ("Pfriem" or "Lessee"), entered into a lease agreement with Lessor ("2015 Lease") for the premises known as Tenant Spaces 101, 102 and 103 in the Port's Halyard Building, and an adjacent patio located at 707 Portway Avenue, in Hood River, Oregon (the "Leased Premises"). Four amendments to 2015 Lease have been executed, and Lessor and Lessee have agreed to enter in to a Fifth Lease Amendment which has been or will be executed whereby Lessor provides Lessee a \$260,000 Tenant Improvement Allocation subject to Lessee repayment ("TIA"). Reference to the "Lease" hereinbelow includes the terms of all amendments duly executed by Pfriem and the Port as of the date of this Guaranty, and in the future.

B. Guarantor has a business interest in Pfriem or its operations.

C. In consideration of the Port providing the TIA amount to or for Pfriem, and other good and valuable consideration, receipt and sufficiency of which Guarantor acknowledges, Guarantor and Port AGREE AS FOLLOWS:

1. STATEMENT OF GUARANTY. Guarantor irrevocably and unconditionally guarantees payment when due, whether in installments, by acceleration or otherwise, of the TIA amount, together with all interest thereon and all attorney fees, costs, and expenses of collection incurred by the Lessor in enforcing such obligation, whether incurred any time prior to trial, at trial or on appeal.

2. GUARANTY TO CONTINUE. Guarantor acknowledges and agrees that this Guaranty is and shall be an open and continuing guaranty and all obligations and liabilities to which it applies or may apply shall be conclusively presumed to have been created in reliance hereon and shall continue in full force and effect, notwithstanding any (a) change in rentals or other obligations under the Lease and (b) renewals, modifications, additions, or extensions thereto or extensions of time to perform any of Lease obligations including the TIA repayment obligation.

The Guarantor specifically waives notice of assignment by the Lessor and waives notices of any changes, renewals, modifications, additions, extensions, or of any default by the Lessee.

The Guarantor further agrees and consents to any assignment of this Guaranty by Lessor, in which event it shall inure to the benefit of any such assignee with the same force and effect as though the assignee was specifically named in this Guaranty and waives any notice of any such assignment.



3. **ADDITIONAL GUARANTY PROVISIONS.**

3.1 **Waivers by Guarantor.** Guarantor unconditionally and irrevocably, to the extent legally permitted, waives any requirement that Port, in the event of default by Pfriem, first make any demand, or seek to enforce remedies against Pfriem before seeking to enforce this Guaranty, and any claim or circumstance which constitutes a legal or equitable discharge of Guarantor prior to full performance and payment of all obligations owed by Pfriem to Port under the Lease, including any Lease payment obligation.

3.2 **Modifications.** In addition to but not in limitation of the foregoing, Port may, at any time and from time to time, without the consent of, or notice or responsibility to Guarantor, and without impairing or releasing the obligations of Guarantor: (a) modify or amend the manner, place or terms of payment or performance, or change or extend the time of payment or performance, or modify any of the obligations of Pfriem under the Lease, including TIA repayment obligations, and this Guaranty shall apply to such obligations of Pfriem, as so modified, amended, or extended in any manner; (b) exercise or refrain from exercising, in any manner and in any order, any remedy it may have with respect to any obligations of Pfriem, including the TIA repayment obligation; (c) exercise or refrain from exercising any rights against Pfriem or others, including the Guarantor or another guarantor, if any, or otherwise in any way act or refrain from acting; and (d) settle or compromise any obligations of Pfriem, including the TIA repayment obligation.

3.3 **Primary Guaranty.** This Guaranty is, and remains until fully satisfied, a primary obligation of Guarantor. Guarantor's obligations shall be absolute, independent, and unconditional under any and all circumstances.

3.4 **Direct Enforcement.** Port shall not be required to first resort to performance from Pfriem, other guarantors, if any, or other persons or corporations, their properties or estate, or to any rights or remedies whatsoever including the enforcement of any rights or remedies under the Lease against Pfriem, prior to requiring Guarantor to fully satisfy the guaranteed obligations of Guarantor hereunder. The exercise of any such rights or remedies shall not constitute a legal or equitable discharge of Guarantor.

3.5 **Waiver.** Guarantor waives any claim or other right now existing or hereafter acquired against Pfriem, or any other person who is primarily or contingently liable on the obligations under this Guaranty to the extent such claim or right in any way impairs or impedes Port's right to collect any TIA amount owed under the Lease or to enforce any Lease rights, including, without limitation, any right of contribution, indemnity, subrogation, reimbursement, exoneration, and the right to participate in any claim or remedy of the Port against Pfriem or any collateral security therefor which Port now has or hereafter acquires, whether or not such claim, right or remedy arises under contract, law or equity.

3.6 **Reinstatement.** The obligations of Guarantor shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Pfriem is rescinded or must be otherwise restored by any holder of any such obligation, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and Guarantor agrees to indemnify Port on demand for all reasonable payments, costs and expenses, including legal fees, incurred by Port in connection with such rescission or restoration. If payment is made by Pfriem on an obligation guaranteed hereby and thereafter Port is forced to remit the amount of that payment to Pfriem's trustee in bankruptcy or a similar person under any federal or state bankruptcy law or law for the relief of debtors, Pfriem's obligation shall be considered unsatisfied for the purpose of enforcement of this Guaranty.

3.7. Claims in Bankruptcy. Guarantor hereby expressly and irrevocably releases and waives any and all “claims” as now or hereafter defined in the United States Bankruptcy Code (“Code”) of any nature whatsoever, whether known or unknown and whether now existing or hereafter acquired, against Pfriem or the estate of Pfriem in any existing or future bankruptcy case in which the debtors include Pfriem or any other person or entity with respect to which Guarantor is an “insider” (as defined in the Code), to the extent such claims in any manner are related to or arise out of this Guaranty or any obligations guaranteed hereby.

3.8 Impact of Pfriem Bankruptcy. The liability of Guarantor pursuant to this Guaranty shall not be affected in any way by the institution of any proceedings involving Pfriem under the Code or by any action taken in any such proceedings.

4. REMEDIES. Upon a breach of this Guaranty by Guarantor, Port shall be entitled to pursue all legal remedies against Guarantor.

5. GENERAL PROVISIONS.

5.1 Integration. This Guaranty contains the entire agreement and understanding of Port and Guarantor with respect to the matters described herein and supersedes all prior and contemporaneous agreements between Port and Guarantor with respect to such matters.

5.2 Amendment. This Guaranty may not be modified or amended except in writing and signed by Port and Guarantor.

5.3 Attorney’s Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the Code) is instituted in connection with any controversy arising out of this Guaranty or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys’, accountants’, and other experts’ fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by a court, mediator or arbitrator at a hearing or trial or on any appeal or review, in addition to all other amounts provided by law.

5.4 Construction and Interpretation. The headings or titles of the sections of this Guaranty are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Guaranty.

5.5 Waiver. Failure of Port at any time to require performance of any provision of this Guaranty shall not limit Port’s right to enforce such provision, nor shall any waiver of any breach of any provision of this Guaranty constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Guaranty shall be effective only if set forth in writing and signed by Port.

5.6 Severability. If any term or provision of this Guaranty or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Guaranty and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

5.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given upon the earlier of actual delivery or refusal of a party to accept delivery thereof if sent with all postage and delivery charges prepaid by (a) personal delivery, (b) messenger service, (c) overnight courier service, (d) facsimile, if simultaneously transmitted by another means allowed hereunder, or (e) if dispatched by registered or certified mail, return receipt requested, and addressed as follows:

If to the Port: Mr. Michael S. McElwee  
Executive Director  
Port of Hood River  
1000 E. Port Marina Drive  
Hood River, OR 97031

Facsimile No.: (541) 386-1395

With a copy to: Mr. Jerry J. Jaques  
Jaques Sharp  
P.O. Box 457  
Hood River, OR 97031  
Facsimile No.: (541) 386-8771

If to Guarantor: Kenneth S. Whiteman

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

Each party may by notice to the other party specify a different address or fax number for subsequent notice purposes. Notice may be sent by counsel for either party.

5.8 Binding Effect. This Guaranty and each of its provisions shall be binding upon Guarantor and upon the heirs, estate, personal representatives, and successors and assigns of Guarantor, and each of them, respectively, and shall inure the benefit of Port, its successors and assigns.

5.9 Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Oregon. Any litigation arising under this Guaranty shall be litigated in Hood River County, Oregon.

6.0 Effective Date: This Guarantee shall take effect when signed by both parties.

GUARANTOR: \_\_\_\_\_  
KENNETH STEPHEN WHITEMAN

DATE: \_\_\_\_\_

PORT OF HOOD RIVER  
An Oregon municipal corporation

By: \_\_\_\_\_  
MICHAEL S. McELWEE, Executive Director

DATE: \_\_\_\_\_

GUARANTY OF PAYMENT OF TENANT IMPROVEMENT ALLOCATION OBLIGATION

OWED BY LESSEE TO LESSOR UNDER A LEASE ("Guaranty")

PARTIES: RUDOLF KELLNER an individual, ("Guarantor"); and  
PORT OF HOOD RIVER, an Oregon municipal corporation ("Port" or "Lessor")

BACKGROUND

A. On February 2, 2015, Port and Pfriem Brewing Company, LLC, an Oregon domestic limited liability company ("Pfriem" or "Lessee"), entered into a lease agreement with Lessor ("2015 Lease") for the premises known as Tenant Spaces 101, 102 and 103 in the Port's Halyard Building, and an adjacent patio located at 707 Portway Avenue, in Hood River, Oregon (the "Leased Premises"). Four amendments to 2015 Lease have been executed, and Lessor and Lessee have agreed to enter in to a Fifth Lease Amendment which has been or will be executed whereby Lessor provides Lessee a \$260,000 Tenant Improvement Allocation subject to Lessee repayment ("TIA"). Reference to the "Lease" hereinbelow includes the terms of all amendments duly executed by Pfriem and the Port as of the date of this Guaranty, and in the future.

B. Guarantor has a business interest in Pfriem or its operations.

C. In consideration of the Port providing the TIA amount to or for Pfriem, and other good and valuable consideration, receipt and sufficiency of which Guarantor acknowledges, Guarantor and Port AGREE AS FOLLOWS:

1. STATEMENT OF GUARANTY. Guarantor irrevocably and unconditionally guarantees payment when due, whether in installments, by acceleration or otherwise, of the TIA amount, together with all interest thereon and all attorney fees, costs, and expenses of collection incurred by the Lessor in enforcing such obligation, whether incurred any time prior to trial, at trial or on appeal.

2. GUARANTY TO CONTINUE. Guarantor acknowledges and agrees that this Guaranty is and shall be an open and continuing guaranty and all obligations and liabilities to which it applies or may apply shall be conclusively presumed to have been created in reliance hereon and shall continue in full force and effect, notwithstanding any (a) change in rentals or other obligations under the Lease and (b) renewals, modifications, additions, or extensions thereto or extensions of time to perform any of Lease obligations including the TIA repayment obligation.

The Guarantor specifically waives notice of assignment by the Lessor and waives notices of any changes, renewals, modifications, additions, extensions, or of any default by the Lessee.

The Guarantor further agrees and consents to any assignment of this Guaranty by Lessor, in which event it shall inure to the benefit of any such assignee with the same force and effect as though the assignee was specifically named in this Guaranty and waives any notice of any such assignment.

3. **ADDITIONAL GUARANTY PROVISIONS.**

3.1 **Waivers by Guarantor.** Guarantor unconditionally and irrevocably, to the extent legally permitted, waives any requirement that Port, in the event of default by Pfriem, first make any demand, or seek to enforce remedies against Pfriem before seeking to enforce this Guaranty, and any claim or circumstance which constitutes a legal or equitable discharge of Guarantor prior to full performance and payment of all obligations owed by Pfriem to Port under the Lease, including any Lease payment obligation.

3.2 **Modifications.** In addition to but not in limitation of the foregoing, Port may, at any time and from time to time, without the consent of, or notice or responsibility to Guarantor, and without impairing or releasing the obligations of Guarantor: (a) modify or amend the manner, place or terms of payment or performance, or change or extend the time of payment or performance, or modify any of the obligations of Pfriem under the Lease, including TIA repayment obligations, and this Guaranty shall apply to such obligations of Pfriem, as so modified, amended, or extended in any manner; (b) exercise or refrain from exercising, in any manner and in any order, any remedy it may have with respect to any obligations of Pfriem, including the TIA repayment obligation; (c) exercise or refrain from exercising any rights against Pfriem or others, including the Guarantor or another guarantor, if any, or otherwise in any way act or refrain from acting; and (d) settle or compromise any obligations of Pfriem, including the TIA repayment obligation.

3.3 **Primary Guaranty.** This Guaranty is, and remains until fully satisfied, a primary obligation of Guarantor. Guarantor's obligations shall be absolute, independent, and unconditional under any and all circumstances.

3.4 **Direct Enforcement.** Port shall not be required to first resort to performance from Pfriem, other guarantors, if any, or other persons or corporations, their properties or estate, or to any rights or remedies whatsoever including the enforcement of any rights or remedies under the Lease against Pfriem, prior to requiring Guarantor to fully satisfy the guaranteed obligations of Guarantor hereunder. The exercise of any such rights or remedies shall not constitute a legal or equitable discharge of Guarantor.

3.5 **Waiver.** Guarantor waives any claim or other right now existing or hereafter acquired against Pfriem, or any other person who is primarily or contingently liable on the obligations under this Guaranty to the extent such claim or right in any way impairs or impedes Port's right to collect any TIA amount owed under the Lease or to enforce any Lease rights, including, without limitation, any right of contribution, indemnity, subrogation, reimbursement, exoneration, and the right to participate in any claim or remedy of the Port against Pfriem or any collateral security therefor which Port now has or hereafter acquires, whether or not such claim, right or remedy arises under contract, law or equity.

3.6 **Reinstatement.** The obligations of Guarantor shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Pfriem is rescinded or must be otherwise restored by any holder of any such obligation, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and Guarantor agrees to indemnify Port on demand for all reasonable payments, costs and expenses, including legal fees, incurred by Port in connection with such rescission or restoration. If payment is made by Pfriem on an obligation guaranteed hereby and thereafter Port is forced to remit the amount of that payment to Pfriem's trustee in bankruptcy or a similar person under any federal or state bankruptcy law or law for the relief of debtors, Pfriem's obligation shall be considered unsatisfied for the purpose of enforcement of this Guaranty.

3.7. Claims in Bankruptcy. Guarantor hereby expressly and irrevocably releases and waives any and all “claims” as now or hereafter defined in the United States Bankruptcy Code (“Code”) of any nature whatsoever, whether known or unknown and whether now existing or hereafter acquired, against Pfriem or the estate of Pfriem in any existing or future bankruptcy case in which the debtors include Pfriem or any other person or entity with respect to which Guarantor is an “insider” (as defined in the Code), to the extent such claims in any manner are related to or arise out of this Guaranty or any obligations guaranteed hereby.

3.8 Impact of Pfriem Bankruptcy. The liability of Guarantor pursuant to this Guaranty shall not be affected in any way by the institution of any proceedings involving Pfriem under the Code or by any action taken in any such proceedings.

4. REMEDIES. Upon a breach of this Guaranty by Guarantor, Port shall be entitled to pursue all legal remedies against Guarantor.

5. GENERAL PROVISIONS.

5.1 Integration. This Guaranty contains the entire agreement and understanding of Port and Guarantor with respect to the matters described herein and supersedes all prior and contemporaneous agreements between Port and Guarantor with respect to such matters.

5.2 Amendment. This Guaranty may not be modified or amended except in writing and signed by Port and Guarantor.

5.3 Attorney’s Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the Code) is instituted in connection with any controversy arising out of this Guaranty or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys’, accountants’, and other experts’ fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by a court, mediator or arbitrator at a hearing or trial or on any appeal or review, in addition to all other amounts provided by law.

5.4 Construction and Interpretation. The headings or titles of the sections of this Guaranty are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Guaranty.

5.5 Waiver. Failure of Port at any time to require performance of any provision of this Guaranty shall not limit Port’s right to enforce such provision, nor shall any waiver of any breach of any provision of this Guaranty constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Guaranty shall be effective only if set forth in writing and signed by Port.

5.6 Severability. If any term or provision of this Guaranty or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Guaranty and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

5.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given upon the earlier of actual delivery or refusal of a party to accept delivery thereof if sent with all postage and delivery charges prepaid by (a) personal delivery, (b) messenger service, (c) overnight courier service, (d) facsimile, if simultaneously transmitted by another means allowed hereunder, or (e) if dispatched by registered or certified mail, return receipt requested, and addressed as follows:

If to the Port: Mr. Michael S. McElwee  
Executive Director  
Port of Hood River  
1000 E. Port Marina Drive  
Hood River, OR 97031

Facsimile No.: (541) 386-1395

With a copy to: Mr. Jerry J. Jaques  
Jaques Sharp  
P.O. Box 457  
Hood River, OR 97031  
Facsimile No.: (541) 386-8771

If to Guarantor: Rudolf Kellner

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

Each party may by notice to the other party specify a different address or fax number for subsequent notice purposes. Notice may be sent by counsel for either party.

5.8 Binding Effect. This Guaranty and each of its provisions shall be binding upon Guarantor and upon the heirs, estate, personal representatives, and successors and assigns of Guarantor, and each of them, respectively, and shall inure the benefit of Port, its successors and assigns.

5.9 Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Oregon. Any litigation arising under this Guaranty shall be litigated in Hood River County, Oregon.

6.0 Effective Date: This Guarantee shall take effect when signed by both parties.

GUARANTOR: \_\_\_\_\_  
RUDOLF KELLNER

DATE: \_\_\_\_\_

PORT OF HOOD RIVER  
An Oregon municipal corporation

By: \_\_\_\_\_  
MICHAEL S. McELWEE, Executive Director

DATE: \_\_\_\_\_

GUARANTY OF PAYMENT OF TENANT IMPROVEMENT ALLOCATION OBLIGATION

OWED BY LESSEE TO LESSOR UNDER A LEASE ("Guaranty")

PARTIES:       SONYA WHITE an individual, ("Guarantor"); and  
  
                  PORT OF HOOD RIVER, an Oregon municipal corporation ("Port" or "Lessor")

BACKGROUND

A. On February 2, 2015, Port and Pfriem Brewing Company, LLC, an Oregon domestic limited liability company ("Pfriem" or "Lessee"), entered into a lease agreement with Lessor ("2015 Lease") for the premises known as Tenant Spaces 101, 102 and 103 in the Port's Halyard Building, and an adjacent patio located at 707 Portway Avenue, in Hood River, Oregon (the "Leased Premises"). Four amendments to 2015 Lease have been executed, and Lessor and Lessee have agreed to enter in to a Fifth Lease Amendment which has been or will be executed whereby Lessor provides Lessee a \$260,000 Tenant Improvement Allocation subject to Lessee repayment ("TIA"). Reference to the "Lease" hereinbelow includes the terms of all amendments duly executed by Pfriem and the Port as of the date of this Guaranty, and in the future.

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If to the Port: Mr. Michael S. McElwee  
Executive Director  
Port of Hood River  
1000 E. Port Marina Drive  
Hood River, OR 97031

Facsimile No.: (541) 386-1395

With a copy to: Mr. Jerry J. Jaques  
Jaques Sharp  
P.O. Box 457  
Hood River, OR 97031  
Facsimile No.: (541) 386-8771

If to Guarantor: Sonya White

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: \_\_\_\_\_

Each party may by notice to the other party specify a different address or fax number for subsequent notice purposes. Notice may be sent by counsel for either party.

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GUARANTOR: \_\_\_\_\_  
SONYA WHITE

DATE: \_\_\_\_\_

PORT OF HOOD RIVER  
An Oregon municipal corporation

By: \_\_\_\_\_  
MICHAEL S. McELWEE, Executive Director

DATE: \_\_\_\_\_