

CANCELLATION OF LEASE A G R E E M E N T

This CANCELLATION of LEASE is made this 12th day of October, 2005, (the "Agreement") by and between Kelly Development, Inc. ("Landlord"), and Multnomah County, Oregon ("Tenant").

R E C I T A L S


A. Whereas Landlord and Tenant are parties to that certain lease dated March 26, 1991, as amended June 1, 2001, covering 10,311 square feet of Office space located at 4925 North Albina Avenue in Portland, Oregon (the "Premises").

B. Landlord and Tenant desire to cancel the Lease and to release each other from all further responsibilities, obligations, liabilities and claims respecting or arising out of the Lease, subject to the terms and conditions outlined below.

NOW THEREFORE, Landlord and Tenant covenant and agree as follows:

1. The Lease is canceled effective October 31, 2005, the "Cancellation Date."
2. From and after the Cancellation Date, Tenant shall have no further right or interest in and to the Lease or the Premises, or any fixtures or improvements located in the Premises.
3. Landlord and Tenant each release and discharge the other of and from any and all claims, demands, and causes of action, arising out of or respecting the Lease of the Premises that accrue from and after the Cancellation Date.
4. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, successors and assigns.
5. Consideration under this Cancellation Agreement shall be as follows: Tenant will provide Landlord with a one-time payment of \$70,000.00, no later than November 15, 2005.

By signing below, Landlord and Tenant have agreed to the matters set forth in this CANCELLATION of LEASE as to the date set forth above.

Approved & Accepted	
<small>Tenant:</small> Multnomah County, Oregon <small>By:</small> <u>Diane M. Linn</u> <small>Its:</small> <u>Chair</u> <small>Date:</small>	<small>Landlord:</small> Kelly Development, Inc. <small>By:</small>  <small>Its:</small> <u>Landlord</u> <small>Date:</small>