

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 08-118**

Declaring a Portion of County Leased Real Property Located at 10615 SE Cherry Blossom Drive, Portland, Oregon to be Surplus; and Approving a Real Property Sublease of that Portion with the Oregon College of Oriental Medicine.

**The Multnomah County Board of Commissioners Finds:**

- a. Multnomah County leased the approximate 20,822 square foot real property known as Cherry Blossom Plaza, located at 10615 SE Cherry Blossom Drive, Portland, Oregon, for the purpose of operating a Department of County Human Services (DCHS); Aging & Disability Services Division (ADS) field office.
- b. A small portion of the leased space at Cherry Blossom Plaza, i.e. approximately 1,490 square feet which is the first floor of the Cherry Blossom Plaza Annex Building; is not needed for any County use and has been determined suitable for occupancy by the Oregon College of Oriental Medicine (OCOM).
- c. OCOM wishes to sublease the approximate 1,490 square foot usable space of the Cherry Blossom Annex Building through June 30, 2010. The attached sublease has been negotiated with OCOM.
- d. The public interest is best served by the sublease to OCOM on the terms and conditions set forth in the attached sublease.

**The Multnomah County Board of Commissioners Resolves:**

1. The Board approves the sublease to OCOM. The County Chair is authorized to execute the sublease substantially in the form attached to this Resolution.
2. The County Chair is authorized to execute renewals of the sublease and execute amendments to the sublease without further Board action.

ADOPTED this 21<sup>st</sup> day of August 2008.

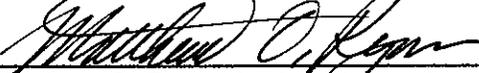


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
\_\_\_\_\_  
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY:  
Carol M. Ford, Director, Dept. of County Management

## SUBLEASE

Date:

Between: Multnomah County, Oregon ("Sublessor")  
Facilities and Property Management  
401 N. Dixon Street  
Portland, OR 97227  
Phone: 503-988-3322  
Fax: 503-988-5082

And: Oregon College of Oriental Medicine ("Sublessee")  
10525 SE Cherry Blossom Drive  
Portland, OR 97216  
Phone: 503-515-6455

Sublessor leases to Sublessee and Sublessee leases from Sublessor in the facility known as "Cherry Blossom Plaza", located at 10615 SE Cherry Blossom Drive, Portland, Oregon 97216, the following described property (the "Premises") on the terms and conditions stated below:

The main floor of approximately 1,490 square feet of space in the building commonly known as the Cherry Blossom Plaza Annex Building; as shown on the attached Exhibit "A"

### Section 1. Master Lease

Sublessor is the lessee of the Premises by virtue of a lease dated April 17, 2008, hereinafter the "Master Lease", wherein American Property Management Corp., as agent for and on behalf of Weston Investment Co., LLC, is lessor. This Sublease is and shall be at all times subject and subordinate to the Master Lease, attached hereto and made a part of the Sublease as Exhibit "B".

### Section 2. Occupancy

- 2.1 **Original Term.** The term of this Sublease shall commence upon the last signature of the parties to the Sublease and continue through June 30, 2010.
- 2.2 **Possession.** Sublessee's right to possession and obligations under this sublease shall commence upon full execution of the Sublease. Sublessor shall have no liability for delays in delivery of possession and Sublessee will not have the right to terminate this sublease because of delay in delivery of possession except as hereinafter provided.
- 2.3 **Early Termination.** Either party may terminate this sublease upon written notice to the other party given not less than 90 days from the termination date.
- 2.4 **Renewal Option.** If the Sublessee is not in default at the time the option is exercised or at the time the renewal term is to commence, Sublessee shall have the option to renew this sublease for one (1) term of one (1) year, as follows:
  - (1) The renewal term shall commence on the day following expiration of the preceding term.
  - (2) The option may be exercised by written notice to Sublessor given not less than 120-days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the sublease binding for the renewal term without further act of the parties.

- (3) The terms and conditions of the Sublease for the renewal term shall be identical with the original term except for rent. Rent shall be determined as provided in paragraph 3.2.
- (4) The right of renewal shall be valid only for the term the master Lease is in full force and effect, and in the event the Master Lease is terminated for any reason, so shall be this Sublease.

**Section 3. Rent**

**3.1 Rent.** Upon commencement of the Sublease, Sublessee shall pay to Sublessor as rent the sum of \$1,645.21 per month. All rent shall be payable without deduction or setoff of any kind on the first day of each month in advance at the address for Sublessor first above stated or at such place as may be designated by Sublessor. Rent for any partial calendar month shall be prorated based on a 30-day month.

**3.2 Rent Adjustment.** Rent during the term of this Sublease and during the option periods, if any, shall be adjusted as provided in the Master Lease plus a six percent (6%) administration fee. Scheduled increases are as follows:

|           |            |
|-----------|------------|
| 7/01/2009 | \$1,694.56 |
| 7/01/2010 | \$1,745.40 |

**3.3 Additional Rent.** Any sum that Sublessee is required to pay to Sublessor in addition to that paid pursuant to Subsection 3.1 shall be considered additional rent.

**Section 4. Use of the Premises.**

**4.1 Permitted Use.** The space shall be used for "movement classes", including physical activities such as Tai Chi, Qigong exercises and yoga classes, and occasionally as a meeting/seminar space and for no other purpose without the prior written consent of the Sublessor and the Master Lessor.

**4.2 Restrictions on Use.** In connection with the use of the Premises, Sublessee shall:

- (1) Conform to all requirements of the Master Lease and refrain from any activity that would be a breach of the Master Lease.
- (2) Conform to all applicable laws and regulations of any public authority affecting the Premises and correct at Sublessee's expense any failure of compliance created through Sublessee's fault or by reason of Sublessee's use.
- (3) Refrain from any activity that would make it impossible to insure the Premise against casualty, would increase the insurance rate, or would prevent Sublessor from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successors, allowing Sublessor to obtain reduced premium rates for long-term fire insurance policies, unless Sublessee pays the additional cost of the insurance.
- (4) Refrain from any use that would be reasonably offensive to other sublessees or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the property.
- (5) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by Sublessor.
- (6) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof without the written consent of Sublessor.

(7) Sublessee shall use only pre-approved vinyl lettering on door or window glass for signage.

**4.3 Hazardous Substances.** Sublessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Sublessee may use or other handles on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the Permitted Use specified in Section 4.1. Sublessee may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Sublessee's reasonably anticipated needs. Sublessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of hazardous Substances used, handles, or stored on the Premises. Upon the expiration or termination of this Sublease, Sublessee shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious, or radioactive substance, waste and material as defined or listed by any Environmental law and shall include, without limitation, petroleum oil and its fractions.

**4.4 Parking.** Sublessee shall have only one (1) designated parking space at Cherry Blossom Plaza as determined by Sublessor. All other parking shall be off site.

## **Section 5. Repairs and Maintenance**

### **5.1 Sublessor and Sublessee Responsibilities**

- (1) Sublessor shall require Master Lessor to provide such maintenance and repairs as are imposed on Master Lessor under the Master Lease. Sublessor shall have met this obligation if, upon receipt of written notice from Sublessee of a condition requiring maintenance and repair. Sublessor shall have forwarded such notice to the Master Lessor with a request that the work described in the notice be done.
- (2) Sublessee shall take good care of the interior of the Premises and at the expiration of the term surrender the Premises and in as good condition as at the commencement of this Sublease, excepting only reasonable wear attributable to Sublessee's use.
- (3) Sublessee shall make any repairs necessitated by the negligence of Sublessee, its agents, employees, and invitees.

**5.2 Inspection of Premises.** Sublessor shall have the right to enter upon the Premises at any time to determine Sublessee's compliance with this Sublease, to make necessary repairs or to show the Premises to any prospective sublessee, and in addition shall have the right, at any time during the last ninety (90) days of the remaining term of this Sublease, to place and maintain upon the Premises notices for leasing the Premises.

**5.3 Interference with Sublessee.** In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Sublessor shall not cause unreasonable interference with the use of the Premises by Sublessee. Sublessee shall have neither the right to an abatement of rent nor any claim against Sublessor or Master Lessor for any inconvenience or disturbance resulting from Sublessor's or Master Lessor's activities performed in conformance with the requirements of this provision.

## **Section 6. Condition of Premises; Alterations**

**6.1 Condition; Improvements.** Sublessee accepts the Premises AS IS. Sublessee acknowledges and agrees that neither Sublessor nor Master Lessor has undertaken any obligation to make nor agreed to make any alteration or improvement to the Premises for Sublessee's use or occupancy thereof. If Sublessee desires to alter or improve the Premises in any way,

Sublessee shall first obtain Sublessor's and Master Lessor's prior written consent to any such alteration or improvement, and any such alterations or improvements shall be made in accordance with the Master Lease.

- 6.2 Ownership and Removal of Alterations.** All improvements and alterations performed on the Premises by either Sublessor or Sublessee shall be the property of Sublessor when installed unless the applicable Sublessor's consent or work sheet specifically provides otherwise. Improvements and alterations installed by Sublessee shall, at Sublessor's option, be removed by Sublessee at Sublessee's expense and the Premises restored unless the applicable Sublessor's consent specifically provides otherwise.

## Section 7. Insurance

- 7.1 Insurance Required.** Sublessee, at its expense, shall maintain at all times during the Term of this Sublease commercial general liability insurance in respect of the Premises and the conduct or operation of its business, covering bodily injury and property damage on an "occurrence" form with \$1,000,000 minimum combined single-limit coverage. Multnomah County, its agents, officers and employees shall be named as additional insureds on the policy by endorsement. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. All policies of insurance shall be issued by good, responsible companies, reasonably acceptable to Sublessor.
- 7.2 Increase in Coverage.** Sublessor may from time to time require that the amount of commercial general liability insurance be increased so that the amount adequately protects Sublessor's interests.
- 7.3 Waiver of Subrogation.** Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire of any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.
- 7.4 Insurance Required by Sublessor.** Sublessor is self-insured for its property and liability exposures, as subject to the Oregon Tort Claims Act, ORS 30.260 through 30.300.

## Section 8. Taxes

- 8.1 Property Taxes.** Sublessee shall pay as due all taxes, assessments and levies on the Premises and all personal property located on the Premises. As used in this section, real property taxes include any fee or charge relating to the use, occupation, or rental of the premises, other than taxes on the net income of Sublessee.
- 8.2 Sublessee Responsibility for Filing Claim for Exemption.** If Sublessee is entitled to an exemption from payment of taxes, Sublessee shall be responsible for obtaining the appropriate exemption. Sublessee shall provide proof of such exemption to Sublessor upon receipt of notice of approval of the exemption.
- 8.3 Special Assessments.** If an assessment for a public improvement is made against the Premises, Sublessor may elect to cause the assessment to be treated the same as general real property taxes under section 8.1.
- 8.4 Contest of Taxes.** Sublessee may contest the amount of any tax or assessment as long as such contest in a manner that does not cause any risk to Sublessor's interest in the Premises.
- 8.5 No Proration of Taxes.** Sublessee shall pay taxes for any tax year in which this lease is in effect on July 1 without proration.
- 8.6 New Charges or Fees.** If a new charge or fee relating to the possession or use of the Premises is assessed or imposed, then, to the extent permitted by law, Sublessee shall pay

such charge or fee. However, Sublessee has no obligation to pay any charge or fee based on the income derived by Sublessor from this lease.

#### **Section 9. Services and Utilities.**

Sublessor shall provide utilities and janitorial services in accordance with the provisions of such services by Master Lessor per the Master Lease. Sublessee shall be responsible for reimbursement to Sublessor for their prorata share of any assessed utility adjustment over the stated base year as provided in section 37.2 of the Master Lease.

#### **Section 10. Sublessee's and Sublessor's Representations**

- 10.1 Sublessee acknowledges the provisions of the Master Lease and agrees to take the Premises subject to all the terms and conditions of the Master Lease, to use the Premises within the restrictions provided by the Master Lease, and to comply with all terms of the Master Lease, as if sublessee were the tenant and Sublessor were the landlord under the Master Lease, except that sublessee's rent shall be equal to the amount set forth in Section 3 of this Sublease.
- 10.2 Sublessor represents and warrants that Exhibit "B" contains a true, correct, and complete copy of the Master Lease. Sublessee acknowledges and agrees that it has read and is familiar with the terms of the Master Lease.

#### **Section 11. Liens**

- 11.1 Except with respect to activities for which Sublessor is responsible, Sublessee shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If Sublessee fails to pay any such claims or to discharge any lien, Sublessor may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of nine percent (9%) per annum from the date expended by Sublessor and shall be payable on demand. Such action by Sublessor shall not constitute a waiver of any right or remedy, which Sublessor may have on account of Sublessee's default.
- 11.2 Sublessee may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Sublessor's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Sublessee shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Sublessor cash or sufficient corporate surety bond or other surety satisfactory to Sublessor in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure of sale under the lien.

#### **Section 12. Indemnification**

Sublessee hereby agrees to indemnify, defend, protect, and hold harmless Sublessor and Master Lessor from and against any and all losses, liabilities, claims, costs, and expenses (including reasonable attorney fees) arising out of or in any way related to Sublessee's failure to perform its obligations under this Sublease or arising out of use of the Premises by Sublessee or its agents, employees, contractors, customers, or invitees.

#### **Section 13. Assignment and Subletting**

Sublessee shall not assign its interest under the Sublease nor sublet, nor permit temporary use of, all or any portion of the Premises without first obtaining Sublessor's and Master Lessor's prior written consent. No assignment or sublease shall release Sublessee from its obligations under this Sublease.

**Section 14. Default.** The following shall be events of default:

- 14.1 Default in Rent.** Failure of Sublessee to pay rent or other charge within ten (10) days after it is due.
- 14.2 Default in Other Covenants.** Failure of Sublessee to comply with any term or condition or fulfill any obligation of this Sublease (other than the payment of rent or other charges) within twenty (20) days after written notice by Sublessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the twenty (20) days period, this provision shall be complied with if Sublessee begins correction of the default within the twenty (20) days period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
- 14.3 Insolvency.** Insolvency of Sublessee; an assignment by Sublessee for the benefit of creditors; the filing by Sublessee of a voluntary petition in bankruptcy; an adjudication that Sublessee is bankrupt or the appointment of a receiver of the properties of Sublessee; the filing of any involuntary petition of bankruptcy and failure of Sublessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Sublessee to secure discharge of the attachment or release of the levy of execution within ten (10) days shall constitute a default. If Sublessee consists of two or more individuals or business entities, the events of default specified in this Section 14.3 shall apply to each individual unless within ten (10) days after an event of default occurs, the remaining individuals produce evidence satisfactory to Sublessor that they have unconditionally acquired the interest of the one causing the default. If this Sublease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Sublessee under this Sublease.

**Section 15. Remedies on Default.** In the event of default by Sublessee, this Sublease may be terminated at the option of Sublessor by written notice to Sublessee. Whether or not this Sublease is terminated by the election of Sublessor, Sublessor shall be entitled to pursue any remedies available to Sublessor under applicable law.

**Section 16. Surrender at Expiration**

- 16.1 Condition of Premises on Termination.** Upon expiration of the sublease term or earlier termination on account of default, Sublessee shall deliver all keys to Sublessor and surrender the Premises in first-class condition and broom clean. Depreciation and wear from ordinary use for the purpose for which the Premises are leased shall be excepted but repairs for which Sublessee is responsible shall be completed prior to expiration or termination of this Sublease.
- 16.2 Removal of Possessions.** Prior to expiration or other termination of the Sublease term, sublessee shall remove all furnishings, furniture, and trade fixtures that remain its property. If Sublessee fails to do so, this shall be an abandonment of the property, and Sublessor may retain the property and all rights of Sublessee with respect to it shall cease or, by notice in writing given to Sublessee within twenty (20) days after removal was required, Sublessor may elect to hold Sublessee to its obligation of removal. If Sublessor elects to require Sublessee to remove, Sublessor may effect a removal and place the property in public storage for Sublessee's account. Sublessee shall be liable to Sublessor for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Sublessor.

**16.3 Holdover**

- (1) If Sublessee does not vacate the Premises at the time required, Sublessor shall have the option to treat Sublessee as a sublessee from month-to-month, subject to all of the provisions of this Sublease. Failure of Sublessee to remove fixtures, furniture, furnishings, or trade fixtures that Sublessee is required to remove under this

Sublease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises and Non-exclusive Premises by another sublessee or with occupancy by Sublessor for any purpose including preparation for a new sublessee.

- (2) If a month-to-month tenancy results from a holdover by sublessee under this Section 16.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Sublessor given not less than twenty (20) days prior to the termination date which shall be specified in the notice. Sublessee waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

#### **Section 17. Miscellaneous**

- 17.1 Nonwaiver.** Waive by either party of strict performance of any provision of this Sublease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- 17.2 Notices.** Any notice required or permitted under this Sublease shall be given when actually delivered or forty-eight (48) hours after deposited in United States mail as certified mail addressed to the address first given in this Sublease or to such other address as may be specified from time to time by either of the parties in writing.
- 17.3 Recordation.** This Sublease shall not be recorded without the written consent of Sublessor.
- 17.4 Risk of Loss.** Sublessee shall be fully responsible for and shall assume all risk of loss of its personal property, furniture, fixtures, equipment, and furnishings in the Premises and Non-exclusive Premises.
- 17.5 Time of Essence.** Time is of the essence of the performance of each of Sublessee's obligations under this Sublease.
- 17.6 Confidentiality of Business Information.** Sublessor and Sublessee acknowledge that Sublessor's use of the Premises and Sublessee's permitted use of the premises may include the creation, management, and retention of business information of a personal or confidential nature, and that the unauthorized acquisition or disclosure of such information may be grounds for civil and/or criminal liability. Sublessor and Sublessee, for themselves, their agents, employees and contractors, agree that, subject to the Oregon Public Records Law, ORS chapter 192, they will refrain from any action that reasonably would be deemed to jeopardize the confidentiality of business information of the other party or to expose such information to disclosure, whether such information has been identified to the other as confidential or otherwise, and will reasonably cooperate with each other to affirmatively protect the confidentiality of all information so designated as confidential or otherwise of a sensitive nature. Sublessor and Sublessee acknowledge and agree that violation of the provisions of this section, except when required under the Public Records Law, may constitute a material breach of the Sublease, for which the non-violating party may terminate the Sublease and for which additional remedies may also be available.
- 17.7 Master Lessor's Consent to Sublease.** The Master Lessor under the Master Lease hereby consents to the foregoing Sublease without waiver of any restriction in the master Lease concerning further assignment or subletting. Master Lessor certifies that, as of the date of Master Lessor's execution hereof, Sublessor, is not in default or breach of any of the provisions of the Master Lease, and that the Master Lease has not been amended or modified except as expressly set forth in the foregoing Sublease. Sublessee's agreement to perform such obligation shall not release Sublessor of its primary and unconditional liability for payment of rental and other charges and performance of Sublessor's obligations as Tenant under the Master Lease during the full term of the Master Lease.
- 17.8 Interest on Rent and Other Charges.** Any rent or other payment required of Sublessee by this Sublease shall, if not paid within ten (10) days after it is due, bear interest at the rate of

nine percent (9%) per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid. In addition, if Sublessee fails to make any rent or other payment required by this lease to be paid to Sublessor within five (5) days after it is due, Sublessor may elect to impose a late charge of five cents (\$0.05) per dollar of the overdue payment to reimburse Sublessor for the costs of collecting the overdue payment. Sublessee shall pay the late charge upon demand by Sublessor. Sublessor may levy and collect a late charge in addition to all other remedies available by Sublessor's default, and collection of a late charge shall not waive the breach caused by the late payment.

**17.9 Proration of Rent.** In the event of commencement or termination of this Sublease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Sublessee or paid on its account.

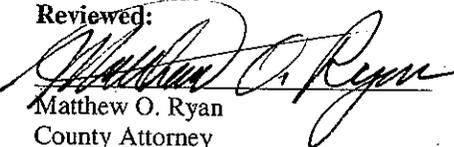
**Sublessor:**  
MUTLNOMAH COUNTY, OREGON

By:   
Ted Wheeler, Chair

**Sublessee:**  
OREGON COLLEGE OF ORIENTAL  
MEDICINE

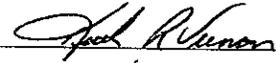
By:   
Title: Vice President of OCOM

**Reviewed:**

  
Matthew O. Ryan  
County Attorney

**Master Lessor:**  
AMERICAN PROPERTY  
MANAGEMENT CORP., as agent  
for and on behalf of WESTON ~~ASSISTANT~~ RCV  
INVESTMENT CO., LLC

Date: August 18, 2008

By:   
Date: 8/13/08



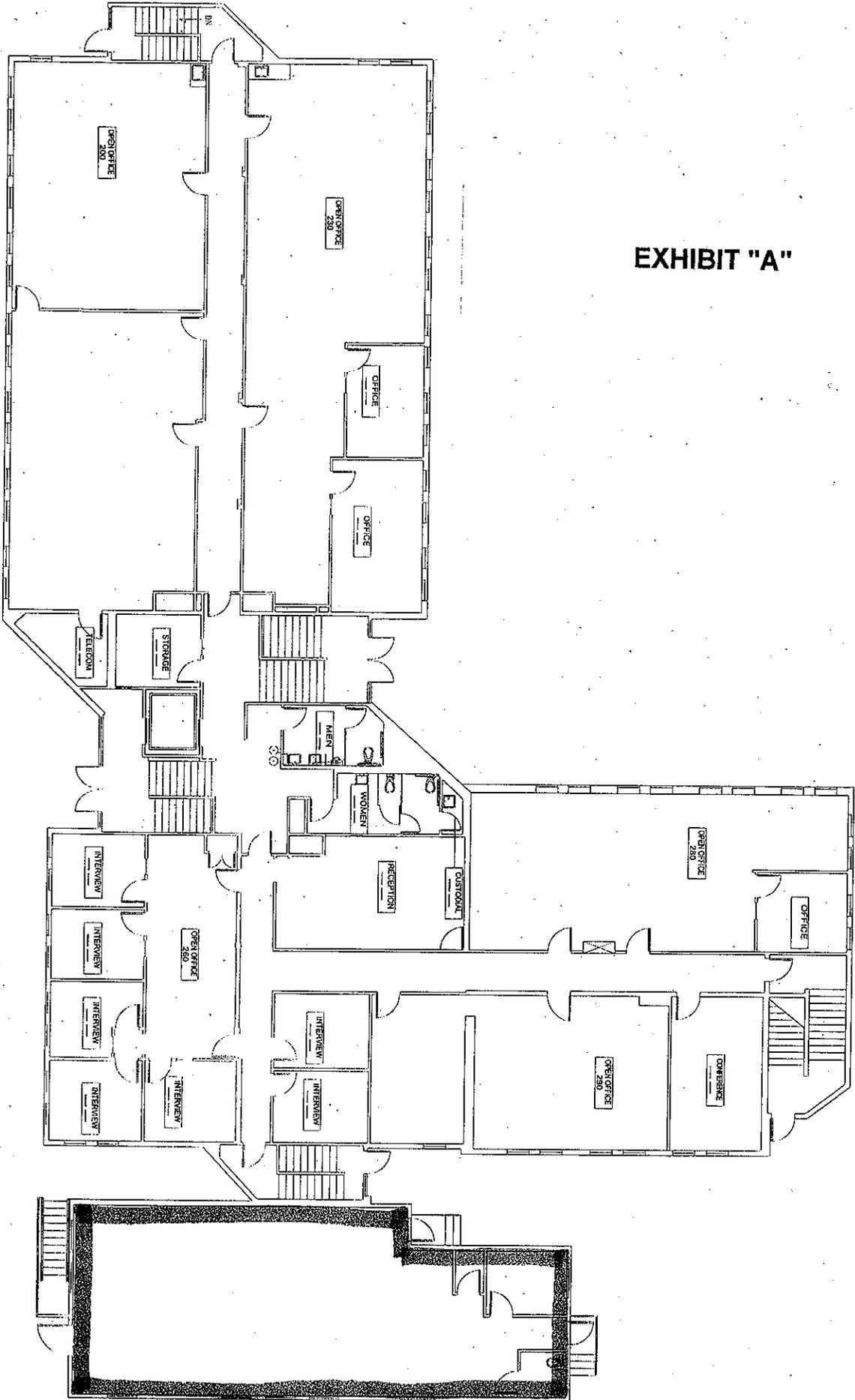


EXHIBIT "A"



**AMERICAN PROPERTY MANAGEMENT CORP.**

2154 N.E. Broadway Portland, Oregon 97232

Mailing Address: P.O. Box 12127, Portland, Oregon 97212

Phone 503-281-7779 Fax 503-460-2616

**OFFICE LEASE**

This Lease ("LEASE"), dated for reference purposes only,

April 17, 2008

is made by and between

**AMERICAN PROPERTY MANAGEMENT CORP.** as agent for and on behalf of

**WESTON INVESTMENT CO. LLC, ("LESSOR"), and**

**Multnomah County, Oregon, ("LESSEE")**

**AMERICAN PROPERTY MANAGEMENT CORP. Account #C-319-7700-01**

LESSOR hereby leases to LESSEE the following:

**Entire Building** consisting of approximately 20,822 square feet ("Premises")

(See Standard of Measurement Section 1.1)

in the **Cherry Blossom Plaza** Office Building

located at **10615 SE Cherry Blossom Drive, Portland, OR 97216** ("Building")

for a term commencing **June 12, 2008**; ("Commencement Date") (see Sections 2.2 and 46.1)

and continuing through **June 30, 2018**; ("Expiration Date")

at an initial Base Rental of **\$21,689.58 (U.S.)** per month ("Base Rent") (see Section 37.1)

payable in advance on the first day of each month at

2154 N.E. Broadway, Suite #200, Portland, Oregon 97232-1561

commencing **July 1, 2008**.

12/20/07

(1)

LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

LESSOR and LESSEE covenant and agree as follows:

## 1.1 STANDARD OF MEASUREMENT

These square footages are approximations only and may vary from the actual square footage. Prior to occupancy LESSEE may inspect and measure the Premises to confirm the square footage. As of occupancy LESSEE shall be deemed to have accepted the Premises, and will be deemed to have waived any objection to the square footage approximations set forth herein.

## 2.1 DELIVERY OF POSSESSION

Should LESSOR be unable to deliver possession of the Premises on the date fixed for the Commencement Date of the term, the Commencement Date will be deferred and LESSEE shall owe no rent until receiving notice from LESSOR tendering possession to LESSEE. If possession is not so tendered within 90 days following the Commencement Date of the term, then LESSEE may elect to cancel this LEASE by providing written notice to LESSOR within 10 days following expiration of the 90 day period. LESSOR shall have no liability to LESSEE for delay in delivering possession, nor shall such delay extend the term of this LEASE in any manner.

## 2.2 EARLY POSSESSION

If LESSEE occupies the Premises prior to said Commencement Date, such occupancy shall be subject to all provisions of this LEASE, such occupancy shall not advance the Expiration Date, and LESSEE shall pay rent for such period at the initial monthly rates set forth above.

After LEASE execution, LESSOR will provide LESSEE access to the Premises for communication work. LESSOR'S contractor will coordinate times of access. LESSEE may begin moving in June 12, 2008 provided the LESSOR is in receipt of a certificate of occupancy from the City of Portland.

## 2.3 ACCEPTANCE OF PREMISES

Except as may be provided for in any exhibit, appendix or rider hereto, occupancy shall be construed to mean that LESSEE expressly acknowledges that it has fully inspected the Premises and accepts the Premises in their present condition. LESSEE further acknowledges LESSOR shall not be responsible for any alterations, improvements or repairs unless by written agreement of the parties, attached to and made a part of this LEASE.

## 3.1 RENT PAYMENT

Upon LESSEE'S execution of the LEASE, LESSEE shall pay the Base Rent for the first calendar month of the LEASE term for which rent is payable. LESSEE shall pay the Base Rent for the Premises and any additional charges provided herein without deduction or offset. Rent for any partial month during the lease term shall be prorated to reflect the number of days during the month that LESSEE occupies the Premises based on a thirty (30) day month/360 day year. Rent or any additional charges not paid when due shall bear interest at the rate of one-and-one-half percent (1 1/2%) per month until paid in full. LESSOR may at its option impose a late charge of .10 for each \$1 due or \$50.00, whichever is greater, for rent or other additional charges paid made more than 10 days after its due date in lieu of interest for the first month of delinquency, without waiving any other remedies available for default.

## 4.1 SECURITY DEPOSIT

None Required

(2)

LESSOR INITIAL  LESSEE INITIAL \_\_\_\_\_

## 5.1 USE

LESSEE shall use the Premises for professional business office use for **Aging and Disability Division of Multnomah County or other Multnomah County service offices** only with no retail sales or manufacturing and for no other purpose without LESSOR'S consent. In connection with its use, LESSEE shall at its expense promptly comply with all applicable laws, ordinances, rules and regulations of any public authority and shall not annoy, obstruct, or interfere with the rights of the other tenants of the Building. LESSEE shall create no nuisance nor allow any objectionable fumes, noise, or vibrations to be emitted from the Premises. LESSEE shall not conduct any activities that will increase LESSOR'S insurance rates for any portion of the Building or that will in any manner degrade or damage the reputation of the Building.

## 6.1 EQUIPMENT

LESSEE shall install in the Premises only such office equipment as is customary for general office use and shall not overload the weight capacity of the floors or the capacity of the electrical circuits of the Premises or Building or alter the plumbing or wiring of the Premises or Building. LESSOR must approve, in advance, the location and manner of installing any electrical, heat generating or communication equipment or exceptionally heavy articles. Any additional air conditioning required because of heat generating equipment or special lighting installed by the LESSEE shall be installed and maintained at LESSEE'S expense. LESSOR shall have no obligation to permit the installation of equipment by any telecommunications provider whose equipment is not then servicing the building.

## 7.1 SIGNS

No signs, awnings, antennas, or other apparatus shall be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises without LESSOR'S written approval as to design, size, location and color. All signs installed by LESSEE shall comply with LESSOR'S standards for signs and all applicable codes and ordinances and all signs and sign hardware shall be removed upon termination of this LEASE with the sign location restored to its former state unless LESSOR elects to retain all or any portion thereof. LESSOR shall provide and install building standard signage in the name of the LESSEE as it appears in this LEASE for the Building lobby and suite entry. LESSEE shall be responsible for all signage expense if the LEASE term is twelve months or less. Any changes thereafter requested by LESSEE and approved by LESSOR shall be at LESSEE'S sole expense.

## 8.1 UTILITIES AND SERVICES

**With the exception of the lower level of the annex building,** the LESSOR shall furnish heat, electricity, elevator service, and if the Premises are air conditioned, air conditioning during the normal Buildings hours of 7:00 A.M. to 6:00 P.M., Monday through Friday, except holidays and 7:00 A.M. to 2:00 P.M. Saturdays, except holidays. The acceptable temperature range for the Premises is between 67 degrees to 75 degrees Fahrenheit, as measured from the thermostat level which is approximately sixty inches (60") above the floor, unless there are extreme weather conditions which create an unusually hot or cold condition. In addition, the LESSOR will not be required to maintain the above temperature range in computer server rooms or in areas where the occupancy is above one person per 100 useable square feet of leased space. **With the exception of the lower level of the annex building,** janitorial service will be provided in accordance with the regular schedule of the Building, which schedule and service may change from time to time. LESSEE shall comply with all government laws and regulations regarding the use or reduction of use of utilities on the Premises. Interruption of services or utilities shall not be deemed an eviction or disturbance of LESSEE'S use and possession of the Premises, render LESSOR liable to LESSEE for damages, or relieve LESSEE from performance of LESSEE'S obligations under this LEASE, but LESSOR shall take all reasonable steps to correct any interruptions in service. Electrical service furnished will be 110 volts unless different service already exists in the Premises. The LESSOR shall only provide repair and maintenance to building standard florescent light fixtures. The LESSOR shall not be responsible for repair, maintenance (including light bulb replacement) for non-building standard light fixtures. LESSEE shall provide its own surge protection for power furnished to the Premises.

**The lower level of the annex building will not be gross full service. LESSOR shall only provide lighting. No HVAC, janitorial or power will be provided.**

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LESSOR INITIAL                      LESSEE INITIAL





caused by the taking. All condemnation proceeds shall belong to LESSOR, and LESSEE shall have no claim against LESSOR or the condemnation award because of the taking.

## 16.1 ASSIGNMENT AND SUBLETTING

This LEASE shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns, provided that LESSEE shall not assign its interest under this LEASE or sublet all or any portion of the Premises without first obtaining LESSOR'S consent in writing. This provision shall apply to all transfers by operation of law including but not limited to mergers and changes in control of LESSEE. No assignment or subletting shall relieve LESSEE of its obligation to pay rent or perform other obligations required by this LEASE, and no consent to one assignment or subletting shall be a consent to any further assignment or subletting. LESSOR shall not unreasonably withhold its consent to any assignment, or to subletting provided the subrental rate or effective rental paid by the assignee is not less than the current scheduled rental rate of the Building for comparable space and the proposed LESSEE is compatible with LESSOR'S normal standards for the Building. If LESSEE proposes a subletting or assignment to which LESSOR is required to consent under this paragraph, LESSOR shall have the option of terminating this LEASE and dealing directly with the proposed sublessee or assignee, or any third party. If an assignment or subletting is permitted, any cash profit, or the net value of any other consideration received by LESSEE as a result of such transaction shall be paid to LESSOR promptly following its receipt by LESSEE. LESSEE shall pay any costs incurred by LESSOR in connection with a request for assignment or subletting, including reasonable attorneys' fees.

## 17.1 DEFAULT

Any of the following shall constitute a default by LESSEE under this LEASE:

- (a) LESSEE'S failure to pay rent or any other charge under this LEASE within 10 days after it is due.
- (b) LESSEE'S failure to comply with any other term or condition within 10 days following written notice from LESSOR specifying the noncompliance. If such noncompliance cannot be cured within this 10 day period, the provision shall be satisfied if LESSEE commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to effect compliance as soon as possible. Time is of the essence in the performance of this LEASE.
- (c) The making by LESSEE of any general assignment or general arrangement for the benefit of creditors; or the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against LESSEE, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of LESSEE'S assets located at the Premises or of LESSEE'S interest in this LEASE, where possession is not restored to LESSEE within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of LESSEE'S assets located at the Premises or of LESSEE'S interest in this LEASE, where such seizure is not discharged within thirty (30) days.
- (d) Assignment or subletting by LESSEE in violation of Paragraph 16.1.
- (e) Vacation or abandonment of the Premises without the written consent of LESSOR.

## 17.2 REMEDIES FOR DEFAULT

In case of default as described in Paragraph 17.1, LESSOR shall have the right to the following remedies which are intended to be cumulative and in addition to any other remedies provided under applicable law:

- (a) LESSOR may terminate the LEASE and retake possession of the Premises. Following such retaking of possession, efforts by LESSOR to relet the Premises shall be sufficient if LESSOR follows its usual procedure for finding tenants for the space at rates not less than the current rates for other comparable space in the

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LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

Building. If LESSOR has other vacant space in the Building, prospective tenants may be placed in such other space without prejudice to LESSOR'S claim to damages or loss of rental from LESSEE.

- (b) LESSOR may recover all damages caused by LESSEE'S default which shall include an amount equal to rentals lost because of the default, lease commissions paid for this LEASE, the unamortized cost of any tenant improvements installed by LESSOR to meet LESSEE'S special requirements and the cost of any clean up, refurbishing, lock changes and removal of the LESSEE'S property and fixtures. LESSOR may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages shall bar a later action for damages subsequently accruing. LESSOR may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the LEASE. Such damages shall be measured based upon the rent due under this LEASE for the remainder of the term, discounted to the time of judgment at the prevailing interest rates on judgments.
- (c) LESSOR may make any payment or perform any obligation which LESSEE has failed to perform, in which case LESSOR shall be entitled to recover from LESSEE upon demand all amounts so expended, plus interest from the date of the expenditure at the rate of one-and-one-half percent (1 1/2%) per month. Any such payment or performance by LESSOR shall not waive LESSEE'S default.

## 18.1 SURRENDER

On the Expiration Date or early termination of this LEASE, LESSEE shall deliver all keys to LESSOR to avoid a minimum lock change charge of \$150.00 per lock and surrender the Premises broom clean and in the same condition as at the commencement date of the term subject only to reasonable wear from ordinary use. LESSEE shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove shall be an abandonment of the property and LESSOR may dispose of it in any manner without liability and LESSEE shall pay a reasonable charge for such removal and disposal. If LESSEE fails to vacate the Premises when required, including failure to remove all its personal property, LESSOR may elect either: (1) to treat LESSEE as a tenant from month to month, subject to all the provisions of this LEASE except that rent shall be one-and-one-half (1 1/2) times the total rent being charged when the lease term expired; or (2) to eject LESSEE from the Premises and recover damages caused by wrongful holdover. During the period of sixty (60) days prior to the termination date of this LEASE, the LESSOR may post on said premises or in the windows thereof signs of appropriate size notifying the public that the premises are "For Lease."

## 19.1 REGULATIONS

LESSOR shall have the right (but shall not be obligated) to make, revise and enforce regulations or policies consistent with this LEASE for the purpose of moving, use of common areas, prohibiting smoking or promoting safety, health, order, economy, cleanliness, and good service to all tenants of the Building. All such regulations and policies shall be complied with as if part of this LEASE.

## 20.1 ACCESS

During times other than normal Building hours LESSEE'S officers and employees or those having business with LESSEE may be required to identify themselves or show passes in order to gain access to the Building. LESSOR shall have no liability for permitting or refusing to permit access by anyone. LESSOR shall have the right to enter upon the Premises at any time by passkey or otherwise to determine LESSEE'S compliance with this LEASE, to perform necessary repairs to the Building or the Premises, examine the condition of the Premises, to show the Premises to any prospective tenant or purchasers or for any other lawful purpose. Except in the case of emergency, such entry shall be at such times and in such manner as to minimize interference with the reasonable business use of the Premises by LESSEE.

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## 21.1 FURNITURE AND BULKY ARTICLES

LESSEE shall move furniture and bulky articles in and out of the Building or make independent use of the elevators only at times approved by LESSOR following at least 24 hours' advance written notice to LESSOR of the intended move. Items of 1,000 pounds or greater shall require LESSOR'S approval.

## 22.1 NOTICES

Notices between the parties relating to this LEASE shall be in writing, effective when delivered, or facsimile, or if mailed, effective on the second day following mailing, postage prepaid, to the address for the party stated in this LEASE or to such other address as either party may specify by written notice to the other. Notice to LESSEE may always be delivered to the Premises. Rent shall be payable to LESSOR at the LESSOR'S address and in the same manner, but shall be considered paid only when received.

## 23.1 SUBORDINATION

This LEASE shall be subject and subordinate to any mortgages, deeds of trust, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Building. At LESSOR'S option this LEASE shall be subject and subordinate to any future encumbrance hereafter placed against the Building (including the underlying land) or any modifications of existing encumbrances, and LESSEE shall execute such documents as may reasonably be requested by LESSOR or the holder of the encumbrance to evidence this subordination.

## 24.1 TRANSFER OF BUILDING

If the Building is sold or otherwise transferred by LESSOR or any successor, LESSEE shall attorn to the purchaser or transferee and recognize it as the LESSOR under this LEASE, and, provided the purchaser assumes all LESSOR obligations hereunder, the transferor shall have no further liability hereunder.

## 25.1 ESTOPPELS

Either party will within 20 days after written notice from the other execute, acknowledge and deliver to the other party a certificate certifying whether or not this LEASE has been modified and is in full force and effect; whether there are any modifications or alleged breaches by any other party; the dates to which rent has been paid in advance, and the amount of any security deposit, Lease Consideration, or prepaid rent; and any other facts that may reasonably be requested. Failure to deliver the certificate within the specified time shall be conclusive upon the party of whom the certificate was requested that the lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate. If requested by the holder of any encumbrance, or any ground lessor, LESSEE will agree to give such holder or LESSOR notice of and an opportunity to cure any default by LESSOR under this LEASE.

## 26.1 ATTORNEYS FEES

Deleted in its entirety.

## 27.1 QUIET ENJOYMENT

LESSOR warrants that so long as LESSEE complies with all terms of this LEASE, it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by LESSOR. Neither LESSOR nor its managing agent shall have any liability to LESSEE for loss or damages arising out of the acts, including criminal acts, of other tenants of the Building or third parties, nor any liability for any reason, which exceeds the value of its interest in the Building.

## 28.1 COMPLETE AGREEMENT

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LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

This LEASE and the attached Exhibits and Schedules constitute the entire agreement of the parties and supersede all prior written and oral agreements and representations. Neither LESSOR nor LESSEE is relying on any representations other than those expressly set forth herein. There are no implied covenants or other agreements between the parties except as expressly set forth in this LEASE.

## 29.1 CHAIR MATS

LESSEE shall provide, at LESSEE'S expense, chair mats for all desk rolling chairs within the leased space and will be responsible for carpet wear caused by chairs, which could have been avoided by the use of chair mats.

## 30.1 PARKING

LESSEE shall have the nonexclusive use of the entire Building parking lot during the course of the LEASE. LESSOR has sole control of parking and may designate areas for patrons of the property/Building and assign LESSEE and employees of the LESSEE to designated parking areas. LESSEE and employees shall park their cars only in these areas designated for the purpose by the LESSOR. LESSEE shall furnish to LESSOR license numbers of vehicles used by the LESSEE and the employees of the LESSEE, and notify LESSOR of any changes within five (5) days. If LESSEE or its employees fail to park their vehicles in designated parking areas, then LESSOR may charge LESSEE twenty dollars (\$20.00) per day per vehicle for each or partial day, in any area other than those designated, or if the area is signed as a towing area, to have the vehicle(s) towed at the LESSOR'S option and at the expense of the LESSEE and its employees. LESSEE acknowledges and agrees that LESSOR shall not be responsible for the enforcement of any parking rules or regulations in connection with reserved parking spaces contained in this LEASE and/or in the Building rules.

There shall be no overnight storage of vehicles or trailers in the parking areas or outside of Premises. LESSOR may remove vehicle from property and LESSEE shall bear the cost of such removal.

## 31.1 COMMON AREA

Deleted in its entirety.

## 32.1 NOTICE TO OWNERS, BUYERS, AND TENANTS REGARDING HAZARDOUS WASTES OR SUBSTANCES UNDERGROUND STORAGE TANKS

Comprehensive Federal and State laws and regulations have been enacted in the last few years in an effort to develop controls over the use, storage, handling, cleanup, removal and disposal of hazardous wastes or substances. Some of these laws and regulations, such as, for example, the so-called "Superfund Act", provide for broad liability schemes wherein an owner, tenant or other user of the property may be liable for cleanup costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos or establish requirements for the use, modification, abandonment or closing of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this LEASE. Therefore, owners, buyers and tenants are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this notice as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed of on the property, or if the property has or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, what permits and approvals have been or may be required, if any, the estimated costs and expenses associated with the use, storage, handling, cleanup, removal or disposal of the hazardous wastes or substances and what contractual provisions and protections are necessary or desirable. It may also be important to obtain expert assistance for site investigations as to the likelihood of hazardous wastes or substances, or underground storage tanks being on the property.

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Although LESSOR will disclose any knowledge it actually possesses with respect to the existence of hazardous wastes or substances, or underground storage tanks on the property, LESSOR has not made investigations or obtained reports regarding the subject matter of this notice, except as may be described in a separate written document signed by LESSOR. LESSOR makes no representations regarding the existence or nonexistence of hazardous wastes or substances, or underground storage tanks on the property. You should contact a professional, such as a civil engineer, geologist, industrial hygienist or other persons with experience in these matters to advise you concerning the property.

The term "hazardous wastes or substances" is used in this notice in its very broadest sense and includes, but is not limited to petroleum base products, paints and solvents, lead cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This notice is therefore meant to apply to any transaction involving any type of real property, whether improved or unimproved.

## 32.2 ASBESTOS CONTAINING MATERIALS

- a.) Owner/LESSOR discloses there are known and/or presumed asbestos-containing building materials (ACBM'S) within this Building and the Premises which are common to a building of this age. Attached, as Exhibit "F", is a limited pre-demolition survey identifying suspect materials, which were tested and analyzed. The purpose of this survey was to verify that no ACBM's were present within the Premises that may be impacted during planned tenant improvements.
- b.) Notwithstanding sub-section a, with respect to the Premises; LESSEE has hired an independent company to survey the Building. The survey is attached as Exhibit "F".
- c.) LESSOR further warrants that any alteration, reconstruction, renovation, repair, or service work performed by LESSOR its employees, agents, contractors, invitees and assigns will be undertaken in a manner in compliance with all applicable Federal, State or local law, rule or regulation relating to the removal and containment of ACBM's.

## 33.1 MODIFICATION

This LEASE may not be modified except by endorsement in writing attached to this LEASE, dated and signed by all the parties hereto, and LESSOR shall not be bound by any oral or written statement of any servant, agent, or employee modifying this LEASE.

## 34.1 PARTIES AFFECTED

The rights, liabilities and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this LEASE permit, assigns of the parties hereto, and the words "LESSOR" and "LESSEE" and their accompanying verbs or pronouns, wherever used in this LEASE, shall apply equally to all persons, firms, or corporations which may be or become parties hereto.

## 35.1 SECURITY

LESSEE and not LESSOR, is responsible for security of the Premises. Any breach in security of the Premises, common areas, common access doors, and/or elevators shall not constitute an eviction of the LESSEE or relieve LESSEE from any of LESSEE'S obligations under this LEASE. All tenants shall have the responsibility for maintaining the security to common access. LESSOR may modify the type or amount of security measures or services provided to the Building or the Premises at any time without notice.

### 36.1 RIGHT TO RELOCATE

Deleted in its entirety.

### 37.1 BASE RENT SCHEDULE

The LESSEE agrees to pay Base Rent based upon the following Rent Schedule:

| <u>Base Rental Period</u>               | <u>Base Rental Per Month</u> |
|---|------------------------------|
| Commencement Date through June 30, 2009 | \$21,689.58                  |
| July 1, 2009 through June 30, 2010      | \$22,340.27                  |
| July 1, 2010 through June 30, 2011      | \$23,010.48                  |
| July 1, 2011 through June 30, 2012      | \$23,700.79                  |
| July 1, 2012 through June 30, 2013      | \$24,411.82                  |
| July 1, 2013 through June 30, 2014      | \$25,144.17                  |
| July 1, 2014 through June 30, 2015      | \$25,898.50                  |
| July 1, 2015 through June 30, 2016      | \$26,675.45                  |
| July 1, 2016 through June 30, 2017      | \$27,475.72                  |
| July 1, 2017 through June 30, 2018      | \$28,299.99                  |

### 37.2 UTILITY ADJUSTMENT

LESSEE shall pay as Additional Rent, one (1) time per year, LESSEE'S proportionate share of any increase in basic utility costs for the Building.

The base period shall be July 2008 through June 2009, during which time the actual utility costs were \$TBD. The comparison period shall be defined as the twelve calendar month period directly following the base period and every consecutive twelve calendar month period thereafter. The actual utility costs shall be defined as all Building meter accounts paid by the LESSOR. For the purposes of the utility adjustment, the Utility Building size shall be the actual useable square feet less any space separately metered or submetered or 20,822 square feet and the LESSEE'S pro-rata share is 100% which is based on the actual Premises useable square feet divided by the Utility Building size. Since the useable square feet of the Building can change, the above Utility Building size and LESSEE'S pro-rata share is subject to change.

The one (1) time per year utility payment, if any, shall be paid by the LESSEE annually beginning July 1, 2010.

First, before any comparison of utility costs is made, the base period actual utility costs shall be increased by the CPI percentage change using the base period CPI compared to the comparison period CPI to create an "adjusted" base amount. Next, the "adjusted" base amount shall be subtracted from the comparison period actual utility costs. Last, the difference shall be multiplied by the LESSEE'S pro-rata share. The one (1) time per year utility payment, if any, shall be paid by the LESSEE annually beginning July 1, 2010.

An example is as follows:

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Example

|      |  |                             |
|------|--|-----------------------------|
| 1.)  | Actual Building Size .....   | 20,000 useable sq. ft.      |
| 2.)  | Building Tenants who pay their utilities direct<br>on separate meters or separately read submeters.....      | 2,500 useable sq. ft.       |
| 3.)  | Adjusted Building Size .....   | 17,500 useable sq. ft.      |
| 4.)  | LESSEE'S Premises =  | 1,000 useable sq. ft.       |
| 5.)  | LESSEE'S pro-rata share =  | 5.7%                        |
| 6.)  | Actual Utility Costs during <u>Base Period</u> for<br>Entire Building .....                                  | \$17,500.00 (\$1.00/rsf/yr) |
|      | Base Period CPI.....   | 183.5 (May 2003)            |
|      | Comparison Period CPI.....   | 194.4 (May 2005)            |
| 7.)  | CPI Percentage Increase.....   | x 5.9%                      |
| 8.)  | "Adjusted" Base Amount.....  | \$18,532.50                 |
| 9.)  | Actual Utility Costs during Comparison Period<br>for Entire Building.....                                    | \$19,600.00 (12%increase)   |
| 10.) | Difference between Comparison Period Actual Utility<br>Costs and "Adjusted" Base Amount.....                 | \$ 1,067.50                 |
| 11.) | Tenant's annual Pro-rata Share 5.7% or \$60.85, which is a one (1) time per year payment made by the LESSEE. |                             |

**38.1 SMOKING - ENTIRE NON-SMOKING BUILDING**

The Building in which the Premises is located has been designated as an entire NON-SMOKING Building. This includes all areas of the Building, both common areas as well as individual tenant spaces. Thus, smoking in the Premises or common areas within the Building is not permitted.

**39.1 WAIVER**

Any waiver by the LESSOR of any breach of any covenant herein contained to be kept and performed by the LESSEE shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the LESSOR from declaring a forfeiture for any succeeding breach, either of the same condition or covenant otherwise.

**40.1 PERSONAL GUARANTEE**

None Required

**41.1 INTERIOR DESIGN & MODIFICATION**

See Exhibits "B-1" and "B-2" Space Plans

**42.1 LESSOR AGREED TENANT IMPROVEMENTS**

See Exhibit "C" Interior Space Work Agreement

If any provisions contained in this Exhibit "C" Interior Space Work Agreement are inconsistent with any other provisions contained in this LEASE (ie: Exhibits "B-1" and "B-2" Space Plans), the provisions contained in this Exhibit "C" Interior Space Work Agreement shall control.

### 43.1 LESSEE TENANT IMPROVEMENTS OR ALTERATIONS

- (a) The LESSOR must review and approve in writing any LESSEE Tenant Improvements or Alterations to the Premises. The LESSOR requests a walk-through with LESSEE and LESSEE'S contractor prior to commencement of any improvements by LESSEE to the Premises.
- (b) The LESSEE shall be responsible for all Tenant Improvements or Alterations to the Premises not performed by the LESSOR and all costs associated with said LESSEE Tenant Improvements or Alterations. Said Tenant Improvements or Alterations are to comply with applicable building (including Americans With Disabilities Act, or ADA) and fire codes and are to be performed by licensed and bonded contractor with a building permit from the City of Portland or the appropriate governmental agency. Prior to the commencement of work, LESSEE'S general contractor shall provide LESSOR proof of insurance indemnifying LESSOR for claims that may arise during the course of Tenant Improvements or Alterations. All tenant improvements performed by LESSEE shall have prior written approval by LESSOR using materials of quality satisfactory to LESSOR. LESSEE shall provide construction drawings, which will be attached to the LEASE as Exhibit "D" and approved by LESSOR in writing prior to commencement of LESSEE tenant improvements.
- (c) The LESSEE will be responsible for all costs associated with LESSEE Tenant Improvements or Alterations.
- (d) LESSEE to appoint one (1) person as a LESSEE representative project manager regarding all LESSEE Tenant Improvement or Alterations coordination. LESSOR will only interface with that person.
- (e) Before commencing any Tenant Improvements or Alterations using LESSEE outside contractors, LESSEE shall notify LESSOR of the expected commencement and completion dates of the LESSEE tenant improvement work. LESSEE shall not permit any mechanics' or materials' liens to be levied against the Premises or the Building for any labor or materials furnished to LESSEE or its agents or contractors; provided, however, that LESSEE shall not be required to pay or otherwise satisfy any claims or discharge such liens so long as LESSEE, in good faith and at its own expense, contests the same or the validity thereof by appropriated proceedings and posts a bond or takes other steps acceptable to LESSOR that stay enforcement of such lien.
- (f) LESSEE agrees that there shall be no occupancy of the Premises by LESSEE until any/all notices of mechanics' liens are removed from the property and LESSOR is in receipt of lien waivers from all trades for LESSEE Tenant Improvements or Alterations.
- (g) Prior to commencement of any LESSEE Tenant Improvements or Alterations to the Premises, LESSOR shall require LESSEE to have their General Contractor provide LESSOR with proof of Performance and Payment bond acceptable to the LESSOR listing LESSOR as an Oblige.
- (h) LESSOR also requires LESSEE'S construction agreement with LESSEE'S general contractor for the Premises to include a waiver of any right to lien against the LESSOR'S property and a statement that the General Contractor's only resource is the LESSEE and not the LESSOR for any payments related to the improvements of the Premises.
- (i) Upon completion of LESSEE'S Tenant Improvements or Alterations per the construction documents (to be attached to LEASE prior to construction start) approved by LESSOR, LESSOR'S inspection of the completed said Tenant Improvements or Alterations, and LESSEE supplying a full set of lien releases.
- (j) All materials shall be installed in a good workmanship manner, and quality.
- (k) All LESSEE Tenant Improvements or Alterations will need to be routed through the Facilities Permit Program with the City of Portland if the Building is located within the city limits of Portland. All associated charges will be billed to the LESSOR and passed through to the LESSEE for payment upon receipt. LESSEE is aware all inspections and associated fees generated by LESSEE or LESSEE'S contractor will be paid by the LESSEE. All reinspections associated with LESSEE'S Tenant Improvements or Alterations will be paid by LESSEE.
- (l) The LESSEE may not occupy the Premises until LESSOR is in receipt of a copy of a Certificate of Occupancy. (This only applies to initial Tenant Improvements).



## 49.1 OPTION TO EXTEND

LESSEE shall be entitled to two (2) consecutive options to extend this LEASE for a term of five (5) years commencing after the initial lease term expiration at the then prevailing market terms and conditions. Base rent during option renewal periods shall be adjusted to one hundred fifty percent (150%) of the trailing CPI for the first year of each option renewal period with a three percent (3%) increase for the remaining four (4) years of each option renewal period, with the exception that in no event will the initial option rent be less than the preceding years rent. LESSEE to provide LESSOR with no less than one hundred twenty (120) days and no more than one hundred eighty (180) days written notice evidencing LESSEE'S exercising of said option to extend prior to the expiration of the initial Lease term or first option period (if exercised). If LESSOR and LESSEE have not fully executed an extension agreement thirty (30) days prior to the expiration of the initial Lease term or first option (if exercised), this option to extend shall be null and void.

- (a.) LESSEE shall have no right to exercise said Option, notwithstanding any provision in the granting of Option to the contrary; (i) during the period commencing with the giving of any notice of Default under Paragraph 17.1 and continuing until the notice Default is cured or; (ii) during the period of time any monetary obligation due LESSOR from LESSEE is unpaid (without regard to whether notice thereof is given to LESSEE), or (iii) during the time LESSEE is in breach of this LEASE, or (iv) in the event the LESSOR has given to LESSEE three (3) or more notices of separate Defaults during the twelve (12) month period immediately preceding the exercise of said Option, whether or not the Defaults are cured.
- (b.) The Option granted to LESSEE in the LEASE is personal to the original LESSEE named on Page 1 hereof and cannot be voluntarily assigned or exercised by any person or entity other than said original LESSEE while the original LESSEE is in full and actual possession of the Premises and without the intention of thereafter assigning or subletting. The Option herein granted to LESSEE is not assignable, either as part of an assignment of this LEASE or separately or apart therefrom, and no Option may be separated from this LEASE in any manner, by reservation or otherwise.

## 50.1 SPECIAL PROVISION

- (a.) LESSEE at any time during the initial Lease term shall have the option to install a LESSOR approved lift device. All associated installation costs, including but not limited to design costs, permit fees, and equipment costs will be at the LESSEE'S sole cost and expense. All on going costs associated with the lift device, including but not limited to the maintenance, repairs, replacement, inspections, and licensing fees to operate this device will be at the LESSEE'S sole cost and expense.
- (b.) The LESSEE at any time during the initial Lease term shall also have the right to pursue approval and construction of LESSOR approved curb cut along Cherry Blossom Drive. All fees, permits, construction, design costs and on going maintenance, service, repair and replacement costs will be at LESSEE'S sole cost and expense.

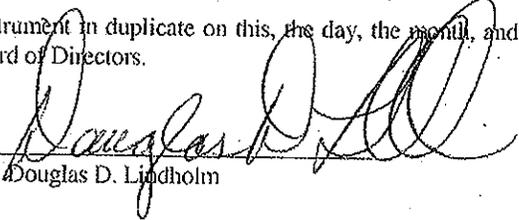
In construing of this LEASE, it is understood that the LESSOR or the LESSEE may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the respective parties have executed this instrument in duplicate on this, the day, the month, and year first hereinbelow written, any corporation signature being by authority of its Board of Directors.

LESSOR:  
AMERICAN PROPERTY MANAGEMENT CORP.  
as agent for and on behalf of WESTON INVESTMENT CO. LLC

(Federal Tax ID# 93-1173413\*)  
\*Lessee need not supply Lessor a Federal 1099 Form

Address for Notices:  
P.O. Box 12127  
Portland, Oregon 97212-0127

By:   
Name: Douglas D. Lindholm

Title: Vice President of Commercial Property

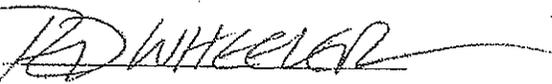
DATE: 4/22/08

LESSEE:

Multnomah County, Oregon

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By:   
Name: TED WHEELER  
Title: CHAIR

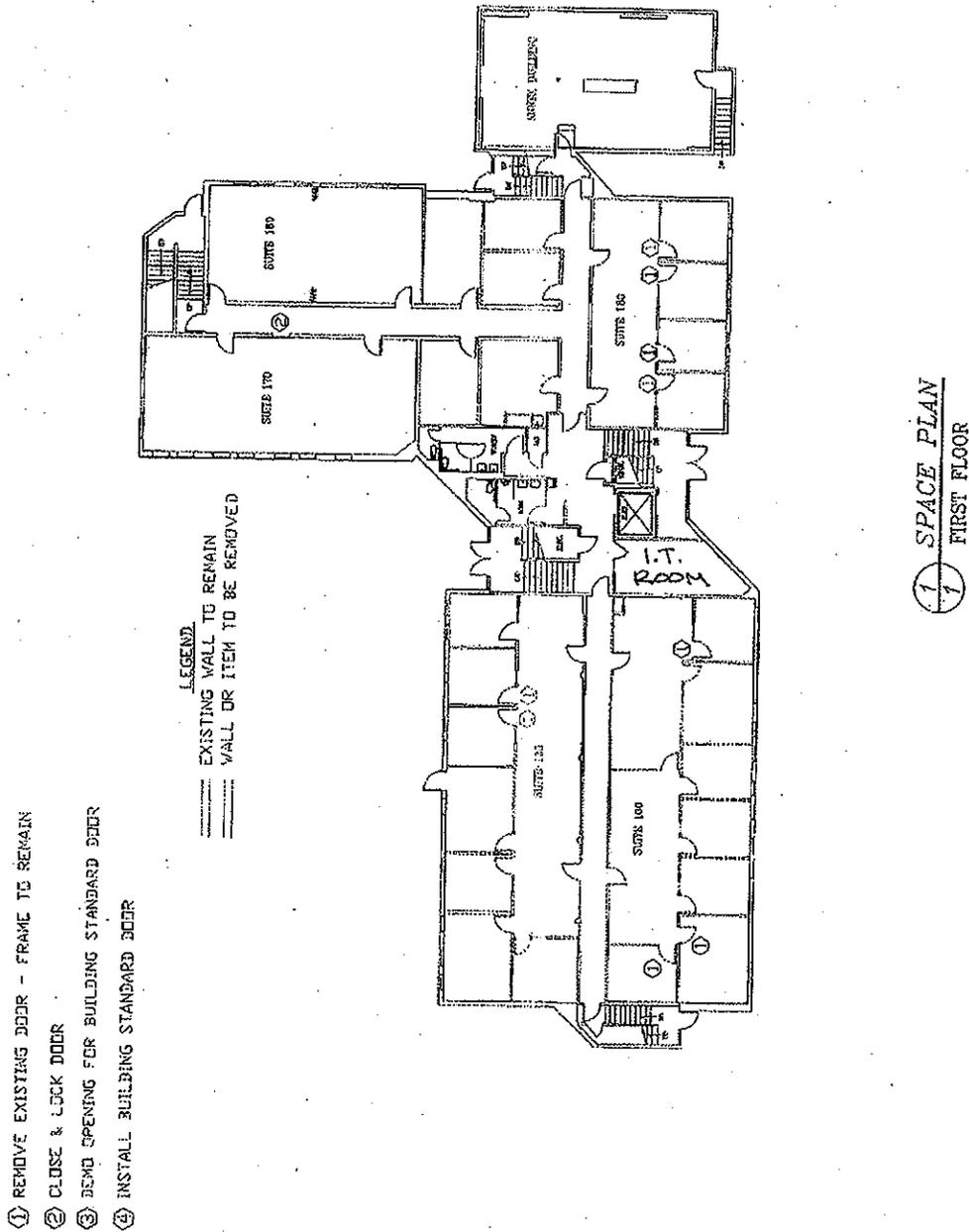
DATE: APRIL 17, 2008

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REVIEWED:  
AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY  
BY:   
ASSISTANT COUNTY ATTORNEY  
DATE: 4/17/08

# EXHIBIT "B-1" SPACE PLAN (First Floor)

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01



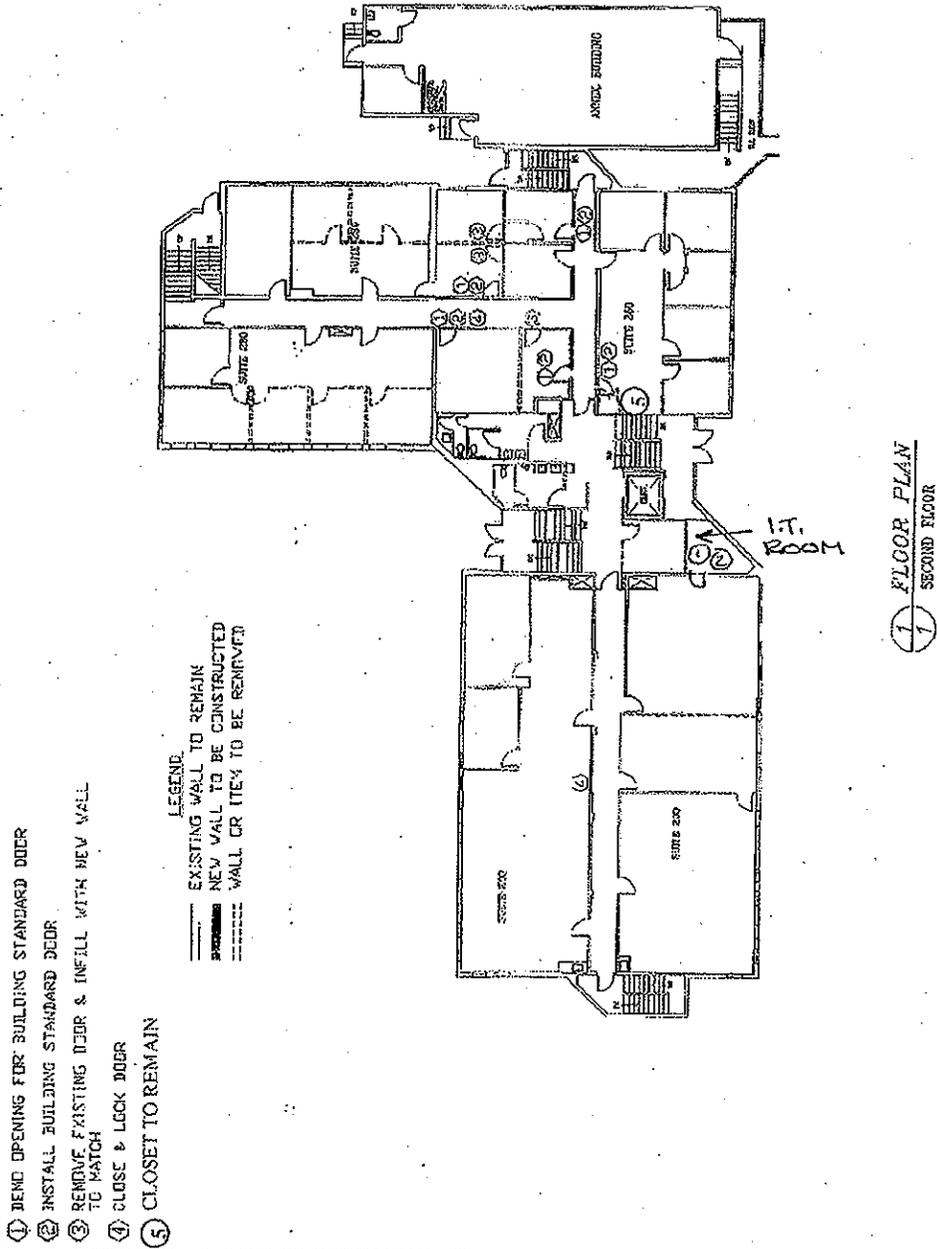
Any changes to this Exhibit "B-1" Space Plan are subject to LESSOR'S approval. Any changes to this plan shall be at LESSEE'S sole cost and expense, shall not delay the Commencement Date, and may delay LESSEE'S occupancy.

If any provision contained in Exhibit "C" Interior Space Work Agreement is inconsistent with any other provision contained in this LEASE (i.e. Exhibit "B-1" and "B-2" Space Plans), the provisions contained in Exhibit "C" Interior Space Work Agreement shall control.

LESSOR INITIAL *[Signature]* LESSEE INITIAL \_\_\_\_\_

# EXHIBIT "B-2" SPACE PLAN (Second Floor)

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01



Any changes to this Exhibit "B-2" Space Plan are subject to LESSOR'S approval. Any changes to this plan shall be at LESSEE'S sole cost and expense, shall not delay the Commencement Date, and may delay LESSEE'S occupancy.

If any provision contained in Exhibit "C" Interior Space Work Agreement is inconsistent with any other provision contained in this LEASE (ie: Exhibit "B-1" and "B-2" Space Plans), the provisions contained in Exhibit "C" Interior Space Work Agreement shall control.



**EXHIBIT "C" INTERIOR SPACE WORK AGREEMENT (Continued)**

LESSEE: Multnomah County, Oregon  
 ACCOUNT #C-363-7700-01 BUILDING/SUITE #: Cherry Blossom Plaza

| <u>ITEM</u>                                     | <u>ACCEPTED<br/>AS-IS</u> | <u>AGREED<br/>IMPROVEMENTS</u>   | <u>LESSOR<br/>EXPENSE</u> | <u>LESSEE<br/>EXPENSE</u> |
|---|---------------------------|--|---------------------------|---------------------------|
| DOORS/FRAMES:<br>(Building Standard Quality)    | <u>X</u>                  | None, all existing door and doorframes to remain as is, except LESSOR will remove doors where indicated on Exhibit "B" Space Plan, doorframes will remain. LESSOR to replace the double glass entry door on the south side of the building with a wider (approximately 42" wide) single glass left side swing door with a sidelight. Automatic ADA door openers will be placed at both main entrances to the building. | _____                     | _____                     |
| LOCKS/HARDWARE:<br>(Building Standard Quality)  | _____                     | All interior doors are to be supplied with passage doorknobs only (no locks), except where indicated on Exhibit "B" Space Plan.<br>LESSOR to provide <u>2</u> suite entry door keys. <i>PER SUITE</i><br>LESSOR to provide <u>4</u> Building entry keys.<br>LESSOR to provide <u>X</u> common restroom keys.   | <u>X</u>                  | _____                     |
| RELIGHTS:<br>(Building Standard Interior)       | <u>X</u>                  | NONE   | _____                     | _____                     |
| WINDOWCOVERING:<br>(Building Standard Exterior) | <u>X</u>                  | NONE   | _____                     | _____                     |
| TELEPHONE:<br>(Building Standard Mold Rings)    | <u>X</u>                  | NONE   | _____                     | _____                     |

CB

**EXHIBIT "C" INTERIOR SPACE WORK AGREEMENT (Continued)**

LESSEE: Multnomah County, Oregon  
 ACCOUNT #C-363-7700-01 BUILDING/SUITE #: Cherry Blossom Plaza

| <u>ITEM</u>           | <u>ACCEPTED<br/>AS-IS</u> | <u>AGREED<br/>IMPROVEMENTS</u>  | <u>LESSOR<br/>EXPENSE</u> | <u>LESSEE<br/>EXPENSE</u> |
|-----------------------|---------------------------|---|---------------------------|---------------------------|
| RESTROOMS:            | _____                     | <p><u>Second Floor:</u> The current men's restroom will become an ADA/Unisex restroom and the current women's restroom will become the men's restroom. The LESSOR will provide the new signage. The urinal and stall in the current men's restroom shall be removed. The existing ceramic tiles will be patched to the best of the LESSOR'S ability. No other changes will be made inside the current men's restroom. Directly outside the current men's restroom is a wall and a soffited ceiling with a stair well rail wrapping around said wall, which will all remain as is. The current women's restroom will remain as is since the toilet fixtures are floor mounted and the existing plumbing cannot receive a wall-mounted urinal.</p> <p><u>First Floor:</u> Current men's restroom will become an ADA/Unisex and the women's restroom will remain as is. The LESSOR will provide the new signage. All plumbing fixtures shall remain as is.</p> <p><u>Annex Building:</u> Modification is limited by the location of the exterior door. LESSOR will make the following modifications; the door swing will be reversed to swing out and grab bars will be installed. All plumbing fixtures will remain as is. See Exhibit "R-1" Annex Building Restroom.</p> | ___X___                   | _____                     |
| POWER DOOR OPENER(S): | _____                     | <p>Install a building standard single door power door opener on the north side and south side building entry doors only. System(s) installed are to be ADA compliant.</p>   | ___X___                   | _____                     |
| PARKING:              | _____                     | <p>LESSOR to make available the entire Cherry Blossom Plaza parking lot. LESSOR to paint two (2) handicap symbols at rear of Main Building to existing space #47 and space #48 and re-stripe for handicap spaces along East property line of parking lot where there is currently only one (1) and designate the existing handicap parking space in front of Annex Building for load/unload only. Striping to include parallel parking space along East side of Annex Building. See attached Exhibit "E" Site Plan.</p>   | ___X___                   | _____                     |

**EXHIBIT "C" INTERIOR SPACE WORK AGREEMENT (Continued)**

LESSEE: Multnomah County, Oregon  
 ACCOUNT #C-363-7700-01 BUILDING/SUITE #: Cherry Blossom Plaza

| <u>ITEM</u>   | <u>ACCEPTED AS-IS</u> | <u>AGREED IMPROVEMENTS</u>  | <u>LESSOR EXPENSE</u> | <u>LESSEE EXPENSE</u> |
|---|-----------------------|---|-----------------------|-----------------------|
| SIDEWALK WEST OF BUILDING ENTRANCE:                         | _____                 | The LESSOR will add semi circle concrete sidewalk next to the existing side walk on the Building side of the side walk in front of the two (2) existing trees west of the Building entrance, see attached diagram for dimensions in Exhibit s "S-1", "S-2" and "S-7". | <u>  X  </u>          | _____                 |
| SIDEWALK EAST OF BUILDING ENTRANCE:                         | _____                 | The LESSOR will add triangular concrete sidewalk next to the existing sidewalk on the Building side of the sidewalk in front of the two (2) existing trees east of the Building entrance, see attached diagram for dimensions in Exhibits "S-3", "S-4" and "S-7".     | <u>  X  </u>          | _____                 |
| PARKING LOT SIDEWALK TO LOWER LEVEL:                        | _____                 | The LESSOR will add triangular concrete sidewalks next to the existing sidewalk where the parking lot sidewalk to the lower level makes two (2) ninety degree (90°) turns, see attached diagram for dimensions in Exhibits "S-5", "S-6" and "S-7".                    | <u>  X  </u>          | _____                 |
| KITCHEN/IT ROOMS<br>1 <sup>st</sup> & 2 <sup>nd</sup> FLOOR | _____                 | Install building standard 1' x 1' VCT in kitchen/IT room area only per Exhibit "B-1" Space Plan.<br>Color to be: <u>V423/Autumn Haze</u><br>Cove base to be: <u>#104/Fudge</u>  | <u>  X  </u>          | _____                 |
| EXISTING VOICE AND DATA LINES:                              | <u>  X  </u>          | Remove all existing voice and data lines/wiring.<br><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO   | _____                 | _____                 |

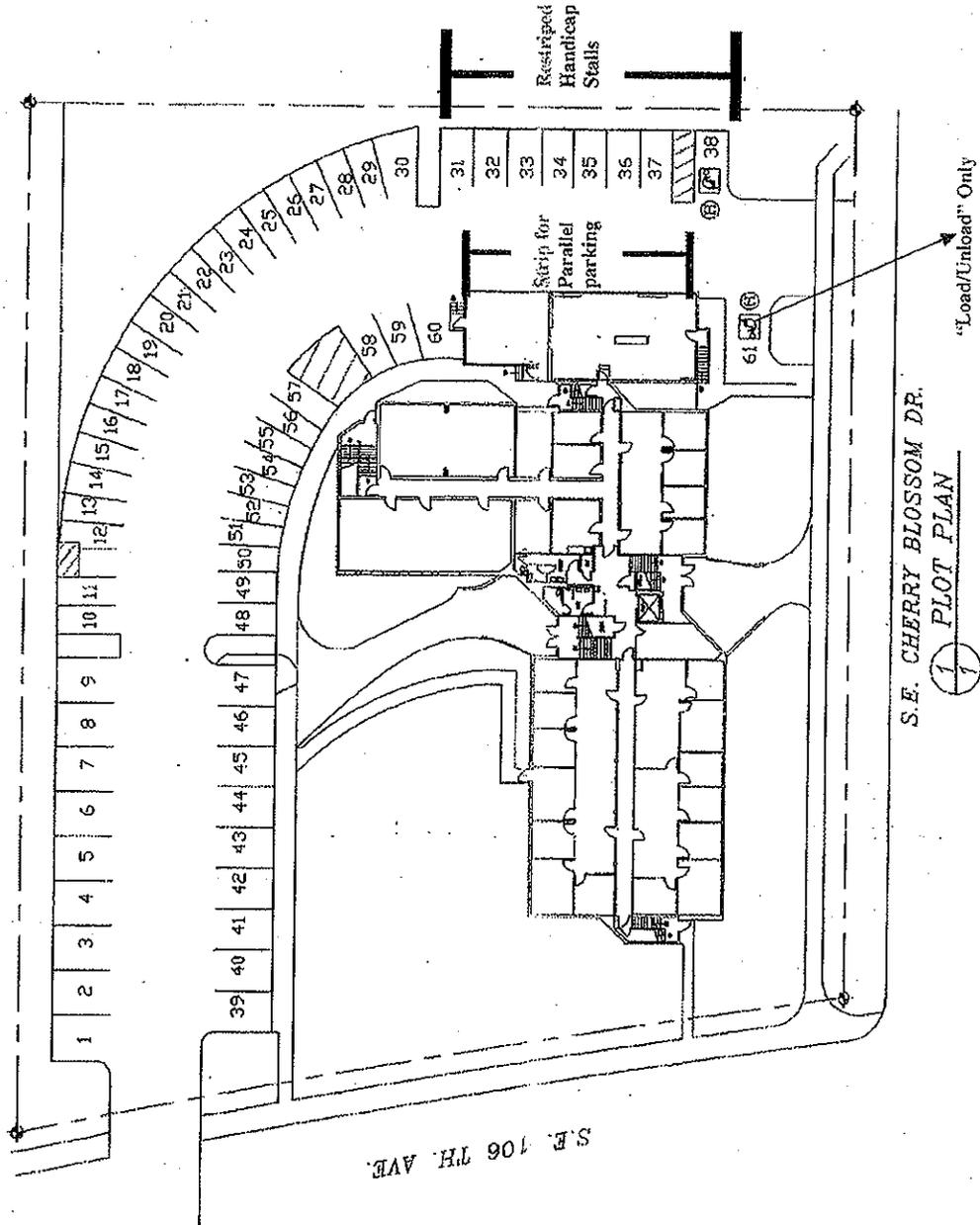
*[Handwritten signatures and initials]*  
 [Signature] [Signature]  
 [Initials] [Initials]

If LESSEE is modifying the existing space layout, or expanding their Premises, it is understood and agreed that all Lessor Agreed Tenant Improvement work may be performed during normal business hours and will not be deemed as an interruption of LESSEE'S business and that AMERICAN PROPERTY MANAGEMENT CORP. assumes no liability for damage to any existing hidden electrical located in the walls, ceiling and/or floors (i.e., electrical for phones, fax, computers, office equipment, etc.) that is not indicated on this agreement and brought to the attention of AMERICAN PROPERTY MANAGEMENT CORP. prior to the office remodel or is not equipped with an appropriate power surge protection device. If any provisions contained in this Exhibit "C" Interior Space Work Agreement are inconsistent with any other provisions contained in this LEASE (i.e. Exhibit "B" Space Plan), the provisions contained in this Exhibit "C" Interior Space Work Agreement shall control.

LESSOR INITIAL [Signature] LESSEE INITIAL \_\_\_\_\_

# EXHIBIT "E" SITE PLAN

Multnomah County, Oregon  
10615 SE Cherry Blossom Drive  
Portland, OR 97216  
Account #C-363-7700-01



The above Floor Plan is meant to show the approximate location of the Premises in relation to the rest of the floor only. It may not show an accurate as-built drawing and is not meant for tenant improvement purposes.

(23)

LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

**EXHIBIT "F" SURVEY**

Multnomah County, Oregon  
10615 SE Cherry Blossom Drive  
Portland, OR 97216  
Account #C-363-7700-01

**TO BE ATTACHED**

(24)

LESSOR INITIAL                      LESSEE INITIAL



**Engineering +  
Environmental**

April 14, 2008

Mike McBride  
Environmental Health and Safety Specialist  
Multnomah County Facilities and Property Management  
410 North Dixon Street  
Portland, Oregon 97227-1865

Re: Limited Asbestos Survey Results Letter  
Cherry Blossom Plaza - 10615 SE Cherry Blossom Drive, Portland, Oregon  
PBS Project No. 15194.815 Task 0001

Dear Mr. McBride,

**BACKGROUND**

On April 2, 2008, PBS Engineering + Environmental (PBS) met with Multnomah County Facilities representatives, to discuss renovation activities to various floors and office spaces in the Cherry Blossom Plaza Building. It is PBS' understanding that the project will involve the removal of various partition walls, and relocation of door frames in the above-mentioned area. PBS completed limited sampling of suspect asbestos-containing building materials (ACBM's) survey that may be impacted during this project.

**FINDINGS**

During the site visit, ACBM's were sampled by Jay Doane, an AHERA accredited Building Inspector. Each bulk sample was assigned a unique identification number and delivered to Lab/Cor Portland, Inc. under chain of custody. All of the asbestos bulk samples were analyzed using Polarized Light Microscopy (PLM), which has a reliable limit of quantification of one percent asbestos by volume. A total of six asbestos bulk samples were collected and analyzed for asbestos content.

**MATERIALS TESTING POSITIVE FOR ASBESTOS**

- Joint compound on the first floor north side, east end wall

Note: sample number 15194.815-0001 was resubmitted to the laboratory for point count analysis, and was found to contain **less than** 1% asbestos.

Please refer to the attached LabCor analytical report for specific sample results.

**MATERIALS TESTING NEGATIVE FOR ASBESTOS**

The following materials tested negative for asbestos:

- Gypsum wallboard and joint compound various locations throughout building
- Residual carpet mastic and leveling compound
- Hard fitting on fiberglass insulated pipes in mechanical space off first floor men's room
- Lay-in ceiling tiles throughout building

Under the current regulations, the EPA, DEQ and OSHA classifies a material as "asbestos-containing" if analytical results indicate the material is (greater than) >1%. However, in a policy clarification dated January 5, 1995 by the EPA (Asbestos NESHAP) has stated, when joint compound and/or tape is applied to wallboard, it becomes an integral part of the wallboard and in effect becomes one material forming a wall system. EPA recommends a

Mike McBride  
Environmental Health and Safety Specialist  
Re: Cherry Blossom Plaza - Limited Asbestos Survey  
April 14, 2008  
Page 2 of 2

composite analysis of the wall system to determine asbestos content. OSHA, however still refers to the joint compound and/or tape as an "added" material or layer system.

Potential contractors should be aware that asbestos-containing joint compound (less than) <1% may be present in the Cherry Blossom Plaza Building. The EPA and DEQ would consider this a non-regulated material. OSHA still considers the disturbance of this material as Class II asbestos work requiring respiratory protection, training, initial air monitoring, and dust suppression to ensure worker safety.

#### **OTHER POSSIBLE MATERIAL IMPACTS - INTERIOR RENOVATION ACTIVITIES**

ACBM's may exist in other locations in the Cherry Blossom Plaza including but not limited to vinyl floor tile/mastic, caulking, pipe insulation, gypsum wallboard systems, troweled-on fireproofing, textured wall ceilings plasters, and thermal system insulation. Any additional suspect ACBM's encountered, that were not a part of this limited survey should be tested prior to impact. Proper precautions should be exercised when accessing areas that are considered inaccessible; i.e., areas requiring selective demolition or those requiring fall protection to gain access. Contractors that have the potential for impacting ACBM's are advised to confirm Oregon Occupational Safety and Health Administration training requirements and ensure that proper worker protection and work practices are implemented.

Please call me if you have any questions regarding these results. My direct line is 360.213.0455.

Sincerely,



Jay J. Doane  
AHERA Building Inspector

Attachments: PBS Bulk Sample Inventory  
Lab/Cor Portland, Inc., Bulk Sample Analysis Data

| <u>Code</u>    | <u>Material</u>               | <u>Location</u>  | <u>Results</u>                             | <u>Lab</u>           |
|----------------|-------------------------------|--|--|----------------------|
| 15194.815-0001 | Gypsum Wallboard/Joint Compd. | First floor; north side; east end wall                     |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | fine compact powder, white                 | 3% Chrysotile        |
|                |                               | Layer 2  | compact chalky material w/ paper, white    | No Asbestos Detected |
| 15194.815-0002 | Gypsum Wallboard/Joint Compd. | First floor; south side; central wall                      |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | compact powder, off white                  | No Asbestos Detected |
|                |                               | Layer 2  | compact chalky material w/ paper, white    | No Asbestos Detected |
| 15194.815-0003 | Mastic/Levelling Compound     | First floor south side; residual carpet mastic             |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | mastic, yellow                             | No Asbestos Detected |
|                |                               | Layer 2  | compact chalky material, white             | No Asbestos Detected |
| 15194.815-0004 | Hard Fittings/Fiberglass      | First floor; men's room HWH closet                         |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | loose fibrous material, yellow             | No Asbestos Detected |
|                |                               | Layer 2  | compact fibrous powder, offwhite           | No Asbestos Detected |
| 15194.815-0005 | Gypsum Wallboard/Joint Compd. | Second floor; east wind; west side wall                    |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | fine compact powder, white                 | No Asbestos Detected |
|                |                               | Layer 2  | compact chalky material, pink              | No Asbestos Detected |
| 15194.815-0006 | Gypsum Wallboard/Joint Compd. | Second floor; south side; central wall                     |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | off white compact chalky material w/ paper | No Asbestos Detected |
| 15194.815-0007 | Lay-in Ceiling Tile           | Second floor; south east corner; 2"x4" pinhole/fissure new |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | grey compressed fibers                     | No Asbestos Detected |
| 15194.815-0008 | Lay-in Ceiling Tile           | Second floor; south east corner; 2"x4" pinhole/fissure old |  | Lab Cor              |
|                |                               | <b>Layer:</b>  | <b>Description:</b>                        | <b>Analysis:</b>     |
|                |                               | Layer 1  | tan compressed fibers                      | No Asbestos Detected |

**Client:** PBS Engineering and Environmental  
4412 SW Corbett Ave  
Portland, OR 97239

**Report Number:** 080582R01  
**Report Date:** 04/03/2008

**Job Number:** 080582

**P.O. No:** n/a

**Project Name:**

**Project Number:** 15194.815 Task 0001

**Project Notes:**

| <b>Client Sample ID:</b> 15194.815-0001 |     | <b>Sample ID:</b> S1      |           |              | <b>Date Analyzed:</b> 04/03/2008 |       | <b>Percent Asbestos:</b> |
|---|-----|---------------------------|-----------|--------------|----------------------------------|-------|--------------------------|
| <b>Client Sample Description:</b>       |     |                           |           |              |                                  |       |                          |
| <b>Asbestos Mineral Fibers</b>          |     | <b>Percent of Sample:</b> |           |              | <b>Analyst:</b> Payam Amin       |       |                          |
|   |     | Chrysotile                | Amosite   | Crocidolite  |                                  |       |                          |
| <b>Layer 01</b>                         |     |                           |           |              |                                  |       |                          |
| fine compact powder, white              | 50% | 3%                        | -         | -            |                                  |       | 3%                       |
| <b>Layer 02</b>                         |     |                           |           |              |                                  |       |                          |
| compact chalky material w/ paper, white | 50% | -                         | -         | -            |                                  |       | NAD                      |
| <b>Other Fibers</b>                     |     | Fibrous Glass             | Cellulose | Mineral Wool | Synthetic                        | Other | Matrix                   |
| Layer 01                                | -   | 2%                        | -         | -            | -                                | -     | 95%                      |
| Layer 02                                | -   | 5%                        | -         | -            | -                                | -     | 95%                      |

| <b>Client Sample ID:</b> 15194.815-0002 |     | <b>Sample ID:</b> S2      |           |              | <b>Date Analyzed:</b> 04/03/2008 |       | <b>Percent Asbestos:</b> |
|---|-----|---------------------------|-----------|--------------|----------------------------------|-------|--------------------------|
| <b>Client Sample Description:</b>       |     |                           |           |              |                                  |       |                          |
| <b>Asbestos Mineral Fibers</b>          |     | <b>Percent of Sample:</b> |           |              | <b>Analyst:</b> Payam Amin       |       |                          |
|   |     | Chrysotile                | Amosite   | Crocidolite  |                                  |       |                          |
| <b>Layer 01</b>                         |     |                           |           |              |                                  |       |                          |
| compact powder, off white               | 80% | -                         | -         | -            |                                  |       | NAD                      |
| <b>Layer 02</b>                         |     |                           |           |              |                                  |       |                          |
| compact chalky material w/ paper, white | 20% | -                         | -         | -            |                                  |       | NAD                      |
| <b>Other Fibers</b>                     |     | Fibrous Glass             | Cellulose | Mineral Wool | Synthetic                        | Other | Matrix                   |
| Layer 01                                | -   | -                         | -         | -            | -                                | -     | 100%                     |
| Layer 02                                | -   | 10%                       | -         | -            | -                                | -     | 90%                      |

| <b>Client Sample ID:</b> 15194.815-0003 |     | <b>Sample ID:</b> S3      |           |              | <b>Date Analyzed:</b> 04/03/2008 |       | <b>Percent Asbestos:</b> |
|---|-----|---------------------------|-----------|--------------|----------------------------------|-------|--------------------------|
| <b>Client Sample Description:</b>       |     |                           |           |              |                                  |       |                          |
| <b>Asbestos Mineral Fibers</b>          |     | <b>Percent of Sample:</b> |           |              | <b>Analyst:</b> Payam Amin       |       |                          |
|   |     | Chrysotile                | Amosite   | Crocidolite  |                                  |       |                          |
| <b>Layer 01</b>                         |     |                           |           |              |                                  |       |                          |
| mastic, yellow                          | 5%  | -                         | -         | -            |                                  |       | NAD                      |
| <b>Layer 02</b>                         |     |                           |           |              |                                  |       |                          |
| compact chalky material, white          | 95% | -                         | -         | -            |                                  |       | NAD                      |
| <b>Other Fibers</b>                     |     | Fibrous Glass             | Cellulose | Mineral Wool | Synthetic                        | Other | Matrix                   |
| Layer 01                                | -   | 3%                        | -         | -            | -                                | -     | 97%                      |
| Layer 02                                | -   | -                         | -         | -            | -                                | -     | 100%                     |

Job Number: 080582

Report Number: 080582R01

Report Date: 04/03/2008

|   |                    |                      |              |             |                                  |        |
|---|--------------------|----------------------|--------------|-------------|----------------------------------|--------|
| <b>Client Sample ID:</b> 15194.815-0004 |                    | <b>Sample ID:</b> S4 |              |             | <b>Date Analyzed:</b> 04/03/2008 |        |
| <b>Client Sample Description:</b>       |                    |                      |              |             | <b>Analyst:</b> Payam Amin       |        |
| <b>Asbestos Mineral Fibers</b>          | Percent of Sample: | Chrysotile           | Amosite      | Crocidolite | Percent Asbestos:                |        |
| Layer 01                                |                    |                      |              |             |                                  |        |
| loose fibrous material, yellow          | 5 %                | -                    | -            | -           | NAD                              |        |
| Layer 02                                |                    |                      |              |             |                                  |        |
| compact fibrous powder, offwhite        | 95 %               | -                    | -            | -           | NAD                              |        |
| <b>Other Fibers</b>                     | Fibrous Glass      | Cellulose            | Mineral Wool | Synthetic   | Other                            | Matrix |
| Layer 01                                | -                  | -                    | 100 %        | -           | -                                | -      |
| Layer 02                                | 5 %                | -                    | 20 %         | -           | -                                | 75 %   |

|   |                    |                      |              |             |                                  |        |
|---|--------------------|----------------------|--------------|-------------|----------------------------------|--------|
| <b>Client Sample ID:</b> 15194.815-0005 |                    | <b>Sample ID:</b> S5 |              |             | <b>Date Analyzed:</b> 04/03/2008 |        |
| <b>Client Sample Description:</b>       |                    |                      |              |             | <b>Analyst:</b> Payam Amin       |        |
| <b>Asbestos Mineral Fibers</b>          | Percent of Sample: | Chrysotile           | Amosite      | Crocidolite | Percent Asbestos:                |        |
| Layer 01                                |                    |                      |              |             |                                  |        |
| fine compact powder, white              | 90 %               | -                    | -            | -           | NAD                              |        |
| Layer 02                                |                    |                      |              |             |                                  |        |
| compact chalky material, pink           | 10 %               | -                    | -            | -           | NAD                              |        |
| <b>Other Fibers</b>                     | Fibrous Glass      | Cellulose            | Mineral Wool | Synthetic   | Other                            | Matrix |
| Layer 01                                | -                  | -                    | -            | -           | -                                | 100 %  |
| Layer 02                                | 4 %                | -                    | -            | -           | -                                | 96 %   |

|   |                    |                      |              |             |                                  |        |
|---|--------------------|----------------------|--------------|-------------|----------------------------------|--------|
| <b>Client Sample ID:</b> 15194.815-0006     |                    | <b>Sample ID:</b> S6 |              |             | <b>Date Analyzed:</b> 04/03/2008 |        |
| <b>Client Sample Description:</b>           |                    |                      |              |             | <b>Analyst:</b> Payam Amin       |        |
| <b>Asbestos Mineral Fibers</b>              | Percent of Sample: | Chrysotile           | Amosite      | Crocidolite | Percent Asbestos:                |        |
| Homogeneous                                 |                    |                      |              |             |                                  |        |
| compact chalky material w/ paper, off white | 100 %              | -                    | -            | -           | NAD                              |        |
| <b>Other Fibers</b>                         | Fibrous Glass      | Cellulose            | Mineral Wool | Synthetic   | Other                            | Matrix |
|   | 2 %                | 13 %                 | -            | -           | -                                | 85 %   |

|   |                    |                      |              |             |                                  |        |
|---|--------------------|----------------------|--------------|-------------|----------------------------------|--------|
| <b>Client Sample ID:</b> 15194.815-0007 |                    | <b>Sample ID:</b> S7 |              |             | <b>Date Analyzed:</b> 04/03/2008 |        |
| <b>Client Sample Description:</b>       |                    |                      |              |             | <b>Analyst:</b> Payam Amin       |        |
| <b>Asbestos Mineral Fibers</b>          | Percent of Sample: | Chrysotile           | Amosite      | Crocidolite | Percent Asbestos:                |        |
| Homogeneous                             |                    |                      |              |             |                                  |        |
| compressed fibers, grey                 | 100 %              | -                    | -            | -           | NAD                              |        |
| <b>Other Fibers</b>                     | Fibrous Glass      | Cellulose            | Mineral Wool | Synthetic   | Other                            | Matrix |
|   | -                  | 40 %                 | 40 %         | -           | -                                | 20 %   |

Job Number: 080582

Report Number: 080582R01

Report Date: 04/03/2008

Client Sample ID: 15194.815-0008

Sample ID: S8

Date Analyzed: 04/03/2008

Client Sample Description:

Analyst: Payam Amin

Asbestos Mineral Fibers

Percent of  
Sample: Chrysotile Amosite Crocidolite

Percent  
Asbestos:

Homogeneous

compressed fibers, tan 100 %

NAD

Other Fibers

Fibrous Mineral  
Glass Cellulose Wool Synthetic Other

Matrix

100 %

This laboratory participates in the National Voluntary Laboratory Accreditation Program (NVLAP).  
Testing method is per 40 CFR 763 Subpart F, Appendix A, PLM.

Layered samples are considered non-homogeneous. "Misc" is miscellaneous. "NAD" is No Asbestos Detected.

Asbestos consists of the following minerals: chrysotile, amosite, crocidolite, tremolite, actinolite, anthophyllite.

Small diameter fibers such as those found in vinyl floor tiles, may not be detected by PLM.

Asbestos detection interferences may result from material binders.

Qualitative and quantitative TEM analysis may be recommended for difficult samples.

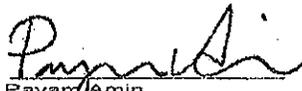
Quantitative analysis by PLM point count or TEM is recommended for samples testing at < or = to 1% asbestos.

The following estimate of error for this method by visual estimation of asbestos percent are as follows:

1% asbestos: 0-3% error, 5% asbestos: 1-9% error, 10% asbestos: 5-15% error, 20% asbestos: 10-30% error.

This report pertains only to the samples listed on the report. Report considered valid only when signed by analyst.

Reviewed by:

x   
Payam Amin  
Analyst

080582



Engineering + Environmental

**TRANSMITTAL AND CHAIN OF CUSTODY FOR ASBESTOS BULK SAMPLES**

Project No.: 15194.815 Task 0001

Individuals signing this form warrant that the information provided is correct and complete. The Sender should keep a copy and send the original. The Receiver should complete the form, keep a copy and return the original to the Sender. Receiver shall report damage of package immediately to Sender.

**SENDER**

Date Sent: April 02, 2008

PBS Engineering + Environmental  
4412 SW Corbett Avenue  
Portland, OR 97239  
503.248.1939, Fax: 503.248.0223

Tamara Anderson  
Name

Tamara Anderson 4/2/08  
Authorized Signature Date

**RECEIVER**

Date Received: 4/2/08 2:05 pm

Company: Lab Cor  
Address: 4321 SW Corbett Ave Ste A  
Portland, OR 97239  
503-224-5055

NIA LEWIS  
Name

[Signature] 4/2/08  
Authorized Signature Date

| Sender's ID No. | Brief Description | Receiver's ID No. |
|-----------------|-------------------|-------------------|
| 15194.815-0001  |                   |                   |
| 15194.815-0002  |                   |                   |
| 15194.815-0003  |                   |                   |
| 15194.815-0004  |                   |                   |
| 15194.815-0005  |                   |                   |
| 15194.815-0006  |                   |                   |
| 15194.815-0007  |                   |                   |
| 15194.815-0008  |                   |                   |

Please analyze the enclosed 8 sample(s) for asbestos content using PLM with dispersion staining. PBS requests prior notification if samples will be disposed.

Request verbal results by: \_\_\_\_\_ AM/PM \_\_\_\_\_ Date.

Please fax and mail the results to the above address.

**TURNAROUND DESIRED:** 48 Hour

**SPECIAL INSTRUCTIONS:**  
  
JDL/JS

*Asbestos and Environmental Analysis*

**Client:** PES Engineering and Environmental

**Report Number:** 080652R01

**Job Number:** 080652

**Report Date:** 04/10/2008

**Project Name:**

**P.O. No:** n/a

**Project Number:** 15194.617-815

**Project Notes:**

|   |   |                                  |
|---|---|----------------------------------|
| <b>Client Sample ID:</b> 15194.617-0004     | <b>Sample ID:</b> S1  | <b>Date Analyzed:</b> 04/10/2008 |
| <b>Client Sample Description:</b> 080580-S4 | <b>Analyst:</b> Izumi Harris  |                                  |
| <b>Asbestos Mineral Fibers</b>              | <b>Percent of Sample:</b> Chrysotile 100% 1.75%                     | <b>Percent Asbestos:</b>         |
| Homogeneous compact powder, white           | Amosite<br>Point Count: 7   | Point Count fields: 400          |
| <b>Other Fibers</b>                         | Crocidolite<br>Fibrous Glass Cellulose Mineral Wool Synthetic Other | Matrix                           |
|   |   | 98.72%                           |

Comments: Originally 080580-S4

|   |   |                                  |
|---|---|----------------------------------|
| <b>Client Sample ID:</b> 15194.815-0001     | <b>Sample ID:</b> S2  | <b>Date Analyzed:</b> 04/10/2008 |
| <b>Client Sample Description:</b> 080582-S1 | <b>Analyst:</b> Izumi Harris  |                                  |
| <b>Asbestos Mineral Fibers</b>              | <b>Percent of Sample:</b> Chrysotile 100% 2%                        | <b>Percent Asbestos:</b>         |
| Homogeneous compact powder, white           | Amosite<br>Point Count: 8   | Point Count Fields: 400          |
| <b>Other Fibers</b>                         | Crocidolite<br>Fibrous Glass Cellulose Mineral Wool Synthetic Other | Matrix                           |
|   |   | 99.4%                            |

Comments: Originally 080582-S1

This laboratory participates in the National Voluntary Laboratory Accreditation Program (NVLAP).  
 Testing method is per 40 CFR 763 Subpart F, Appendix A, PLM.

Layered samples are considered non-homogeneous. "Misc" is miscellaneous. "NAD" is No Asbestos Detected.  
 Asbestos consists of the following minerals: chrysotile, amosite, crocidolite, tremolite, actinolite, anthophyllite.  
 Small diameter fibers such as those found in vinyl floor tiles, may not be detected by PLM.  
 Asbestos detection interferences may result from material binders.  
 Qualitative and quantitative TEM analysis may be recommended for difficult samples.  
 Quantitative analysis by PLM point count or TEM is recommended for samples testing at < or = to 1% asbestos.  
 The following estimate of error for this method by visual estimation of asbestos percent are as follows:  
 1% asbestos: 0-3% error, 5% asbestos: 1-9% error, 10% asbestos: 5-15% error, 20% asbestos: 10-30% error.  
 This report pertains only to the samples listed on the report. Report considered valid only when signed by analyst.

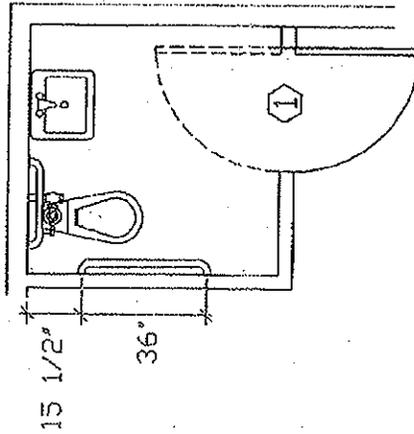
Reviewed by:

*Izumi Harris*  
 Izumi Harris  
 Analyst

# EXHIBIT "R-1" ANNEX BUILDING RESTROOM

Multnomah County, Oregon  
10615 SE Cherry Blossom Drive  
Portland, OR 97216  
Account #C-363-7700-01

LEGEND  
===== EXISTING WALL TO REMAIN  
----- WALL OR ITEM TO BE REMOVED



3  
3  
DETAIL  
ANNEX. BUILDING  
REST ROOM

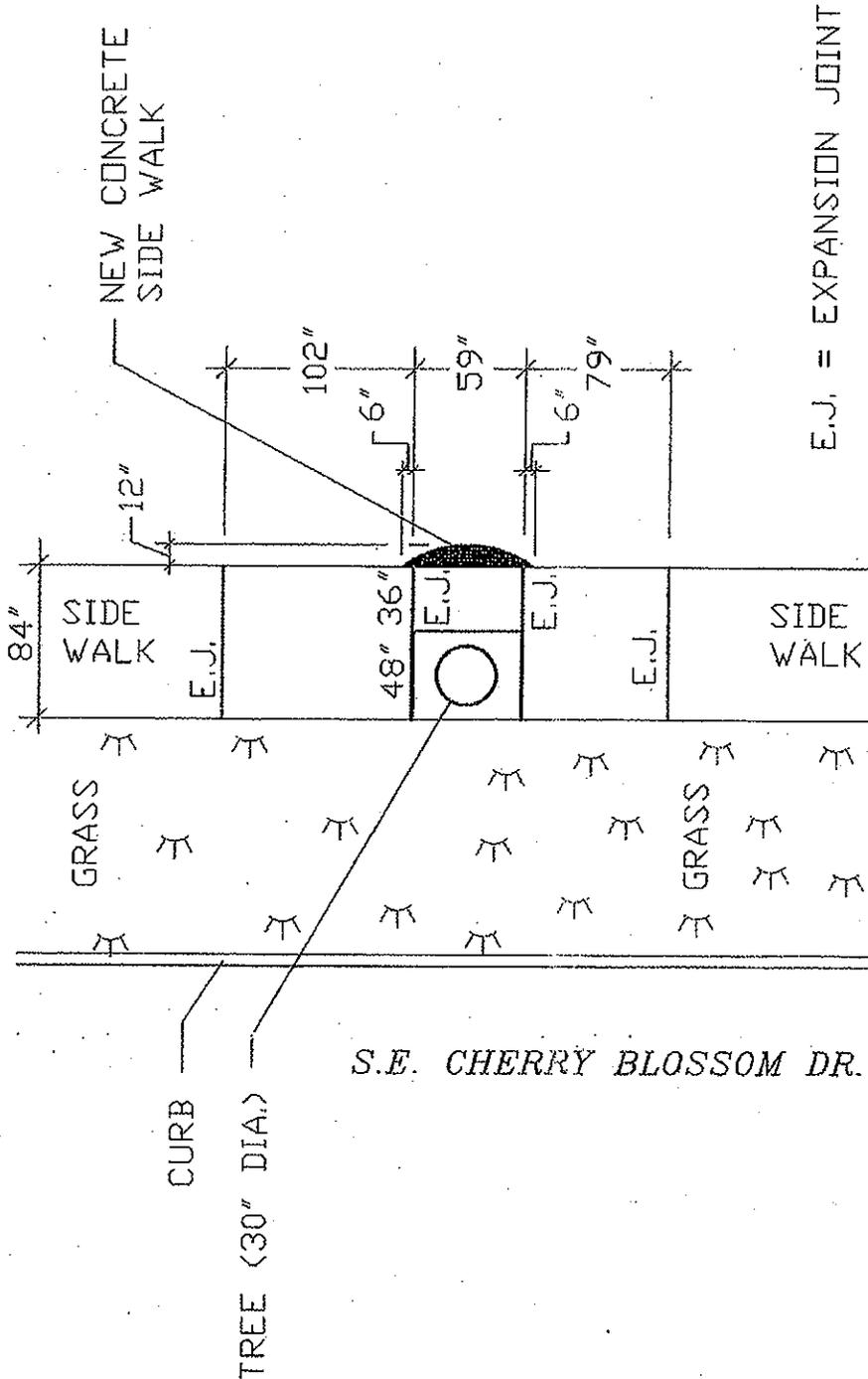
① REVERSE EXISTING DOOR SWING

(25)

LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

# EXHIBIT "S-1" SIDEWALK WEST OF BUILDING ENTRANCE

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01

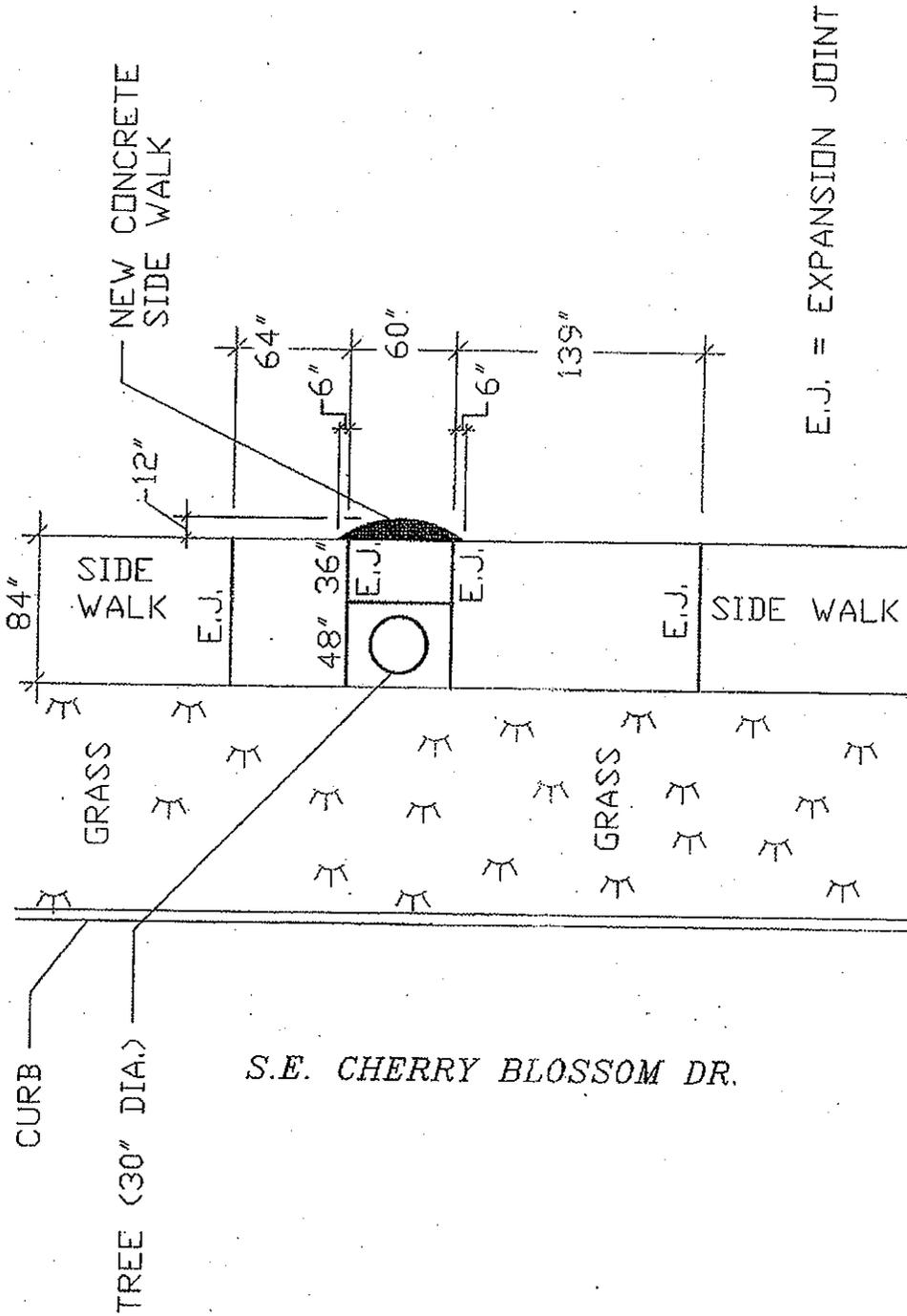


E.J. = EXPANSION JOINT

1 DETAIL - TREE #1  
 4 SIDEWALK / TREE

# EXHIBIT "S-2" SIDEWALK WEST OF BUILDING ENTRANCE

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01

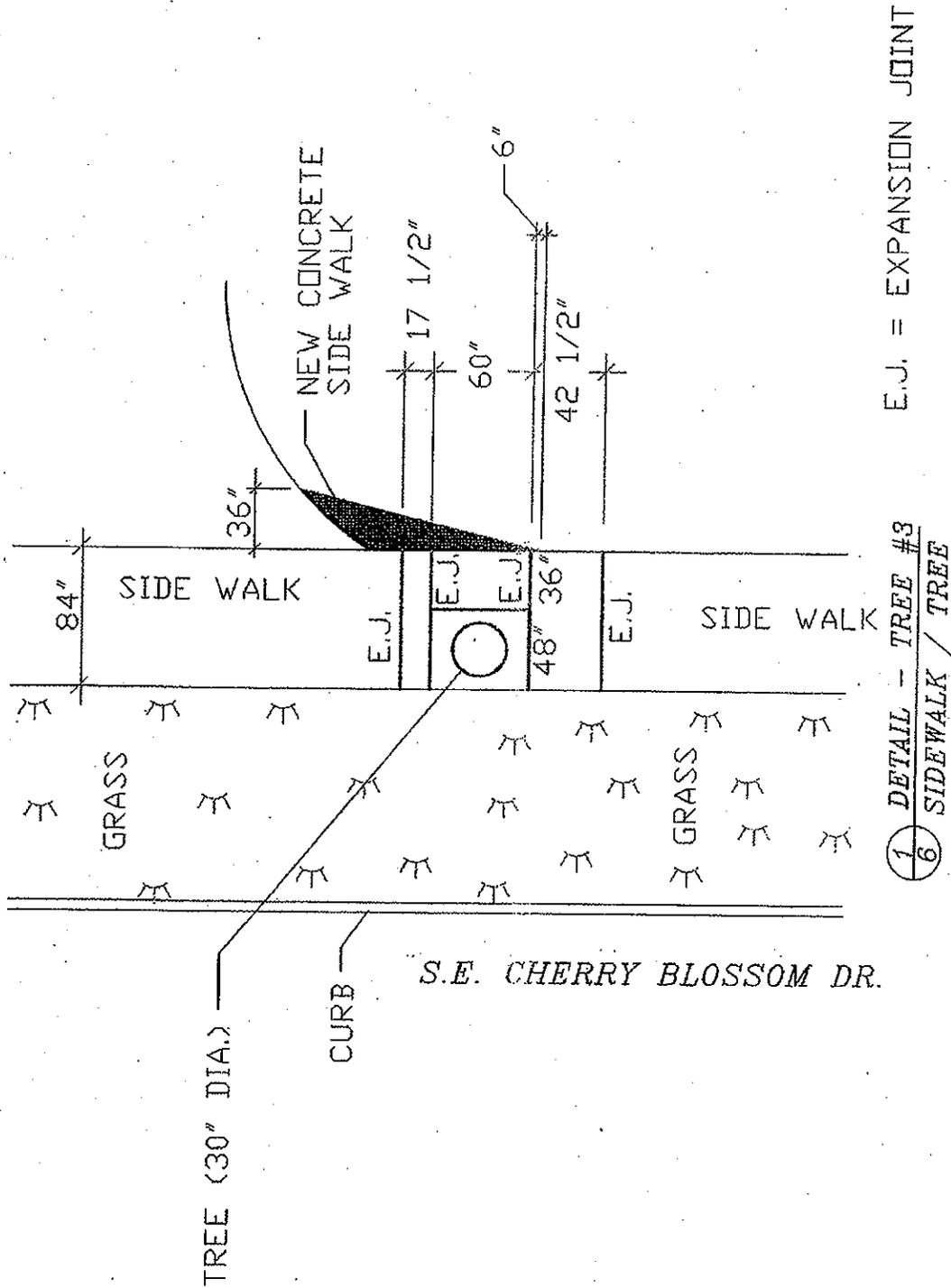


1 DETAIL - TREE #2  
 5 SIDEWALK / TREE

S.E. CHERRY BLOSSOM DR.

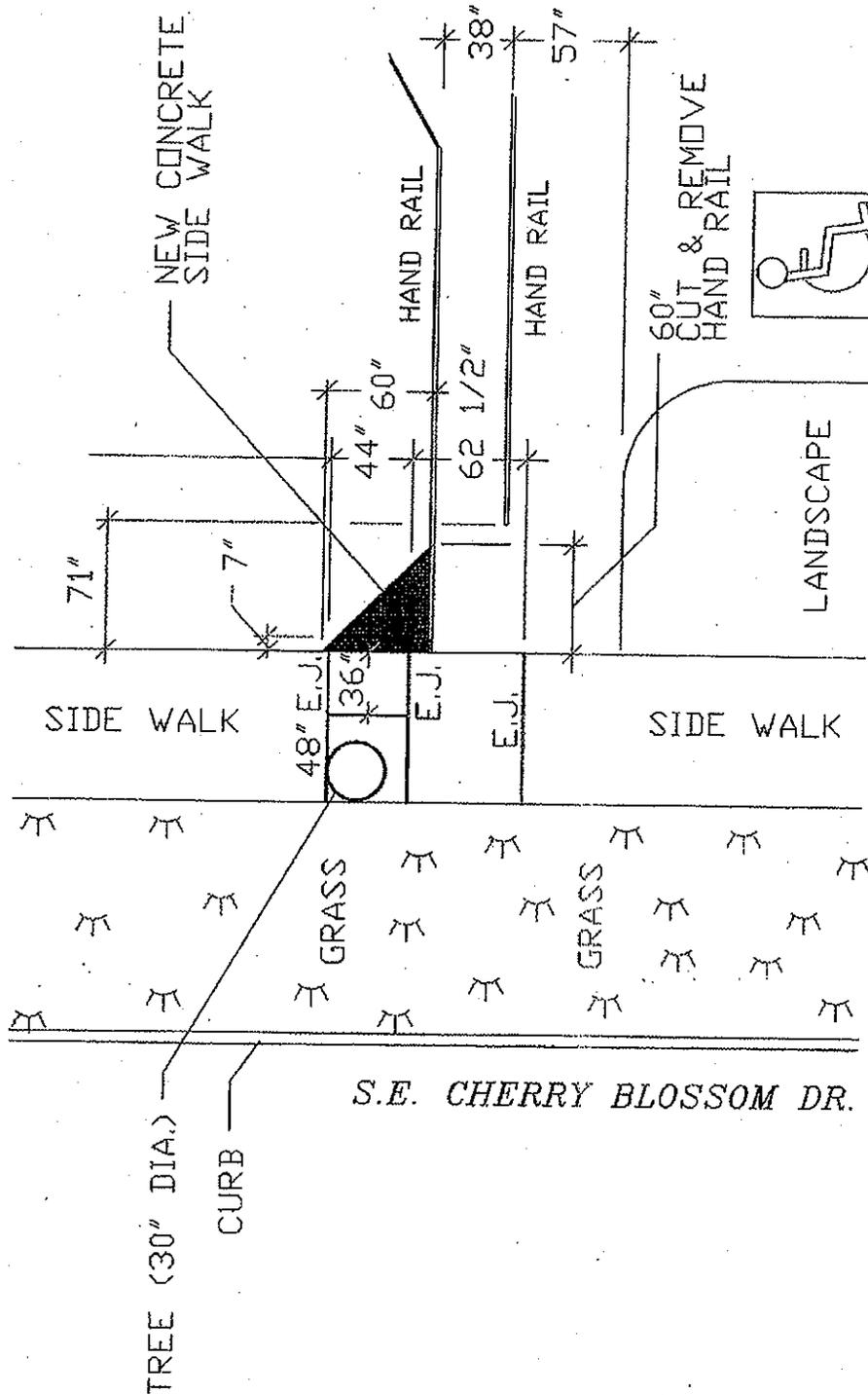
# EXHIBIT "S-3" SIDEWALK EAST OF BUILDING ENTRANCE

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01



# EXHIBIT "S-4" SIDEWALK EAST OF BUILDING ENTRANCE

Multnomah County, Oregon  
 10615 SE Cherry Blossom Drive  
 Portland, OR 97216  
 Account #C-363-7700-01



E.J. = EXPANSION JOINT

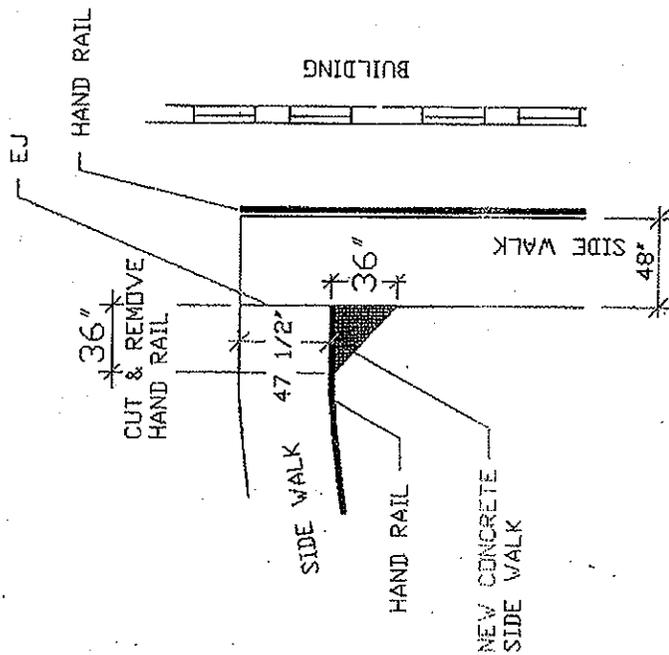
1  
7

DETAIL - TREE #4  
 SIDEWALK / TREE



# EXHIBIT "S-6" PARKING LOT SIDEWALK TO LOWER LEVEL

Multnomah County, Oregon  
10615 SE Cherry Blossom Drive  
Portland, OR 97216  
Account #C-363-7700-01



DETAIL  
19  
WALK WAY

E.J. = EXPANSION JOINT

(31)

LESSOR INITIAL \_\_\_\_\_ LESSEE INITIAL \_\_\_\_\_

# EXHIBIT "S-7" SIDEWALK MODIFICATION OVERVIEW

Multnomah County, Oregon  
10615 SE Cherry Blossom Drive  
Portland, OR 97216  
Account #C-363-7700-01

