

FIRST AMENDMENT TO LEASE AND PURCHASE OPTION AGREEMENT

BETWEEN: MULTNOMAH COUNTY, OREGON

**Facilities and Property Management
401 N. Dixon Street
Portland, OR 97227**

LANDLORD

**AND: Housing Authority of Portland, Inc.
135 SW Ash Street
Portland, OR 97204**

TENANT

By a Lease and Purchase Option Agreement ("Agreement") dated August 4, 2003, and commencing August 4, 2003, Tenant leased from Landlord certain space in the facility known as the 'Peninsula Building' located at 7220 North Lombard Street in Portland, Oregon. The parties agree to amend the Agreement as follows:

A. Amended Terms and Conditions:

1. Section 1: Occupancy, Sub-section 1.1 Term is amended by deleting the existing termination date "August 3, 2006" and inserting the amended termination date "October 31, 2005."

2. Section 1: Occupancy, Sub-section 1.2 Renewal Option is amended by deletion of the existing provision in its entirety and the substitution of the following:

"1.2 Termination Option. Commencing June 1, 2005, Landlord shall have the right to terminate this Agreement by written notice to Tenant be received by Tenant not less than sixty (60) days prior to the proposed termination date. Notice may be given at any time after June 1, 2005. Rents for partial months shall be prorated."

3. Section 3: Use of the Premises, Sub-section 3.3 Hazardous Substances is amended by deleting the following sentence: "Upon the expiration or termination of this Agreement, unless Tenant exercises its purchase option under Section 16 (*sic*), Tenant shall remove all hazardous substances from the Premises," and adding the following sentence: "Upon the expiration or termination of this Agreement, Tenant shall remove all hazardous substances from the Premises."

4. Section 4: Repairs and Maintenance, Sub-section 4.4 Inspection of the Premises shall be amended by deleting the following sentence: "In addition, unless Tenant has submitted an exercise notice to Landlord under section 17.2.1 of this Agreement, Landlord has the right, at any time during the last two months of the term of this Agreement, to place and maintain upon the Premises notices for leasing or selling of the Premises,," and adding the following sentence: "In addition, Landlord has the right, at any time during the term of this Agreement, to

place and maintain upon the Premises notices for leasing, selling, or other disposing of the Premises. Tenant will make best efforts to accommodate Landlord's showing of Premises to prospective buyers in the disposition process.”

5. Section 17: Option to Purchase Premises is deleted in its entirety.

6. Section 18: Miscellaneous, Sub-section 18.6 Covenants of Owner is deleted in its entirety.

B. Remainder of Agreement:

Except as expressly amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

C. Effective Date:

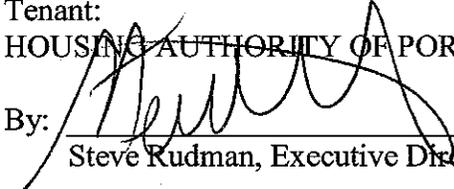
The effective date of this amendment is February 1, 2005.

Landlord:
MULTNOMAH COUNTY, OREGON

By: _____
Diane M. Linn, Chair

Date: _____

Tenant:
HOUSING AUTHORITY OF PORTLAND

By:  _____
Steve Rudman, Executive Director

Date: 1-05-05

Reviewed
AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

By: _____
John S. Thomas
Deputy County Attorney