

ORIGINAL

**AGREEMENT TO GRANT TUNNEL EASEMENT, PROVIDE FOR INITIAL
ACCOMMODATION AND REIMBURSEMENT AND PERMIT FOR MATERIAL
AND EQUIPMENT STAGING AREA**

THIS AGREEMENT ("Agreement") is entered into as of December 11, 2007, by and between **TWO MAIN DEVELOPMENT LLC**, a Delaware limited liability company ("**Two Main**"), and **MULTNOMAH COUNTY, OREGON**, a political subdivision of the State of Oregon (the "**County**").

RECITALS

- A.** Two Main is the owner of certain real property located in Multnomah County, Oregon more particularly described on the attached **Exhibit A** (the "**Property**").
- B.** Two Main is constructing a high rise office building on the Property (the "**Two Main Building**").
- C.** County is the owner of certain real property located in Multnomah County, Oregon, more particularly described on the attached **Exhibit B** (the "**County Justice Property**") and on the attached **Exhibit C** (the "**County Court House Property**").
- D.** County desires the option to construct a new County Court House on the County Court House Property.
- E.** County desires to obtain a perpetual right of way easement under the surface of and through the Property for the potential future construction, operation, maintenance, use, modification, repair, replacement and improvement of an underground pedestrian tunnel (the "**Tunnel**") between the County Justice Property and the County Court House Property.
- F.** Two Main desires to obtain a permit from County for construction staging and storage use that certain real property located in Multnomah County, Oregon more particularly indicated on the attached **Exhibit D and Exhibit G** (the "**Permit Area**").

AGREEMENT

1. **TUNNEL EASEMENT.** Two Main shall grant to County an exclusive permanent subsurface easement by Tunnel Easement Agreement in the form attached as **Exhibit E** the "**Tunnel Easement Agreement**"). Two Main shall execute and deliver the Tunnel Easement Agreement upon reimbursement of all sums due under Section 2.2 hereof.

2. **INITIAL ACCOMMODATION.**

2.1 **Initial Accommodation.** In the design and construction of the Two Main Building, Two Main shall make initial accommodation for the potential future Tunnel, as

depicted on the attached **Exhibit F ("Initial Accommodation")**, which Initial Accommodation includes without limitation:

- (a) Spanning, rather than on-grade, slab floor at Two Main electrical vault.
- (b) Lengthening of curb side sheet shoring at Two Main electrical vault.

(c) Delay of construction operations to accommodate the accommodations described in Section 2.1(a) and (b) above. The parties agree that as of the date of this Agreement there has been a delay of construction operations chargeable to the County resulting from the execution of this agreement. The exact cost of such delay has not yet been determined but is currently estimated to be approximately \$15,000. The parties further agree that any further delay contemplated herein is delay caused by circumstances that arise in the course of construction and are unforeseen by Two Main on the date of execution of this agreement.

2.2 **Reimbursement for Initial Accommodation.** County shall reimburse Two Main for all costs of Initial Accommodation, including, without limitation, management, design, permitting and construction. Two Main shall invoice County and County shall pay such cost on a "cost to date" basis. Payment shall be due within 30 days of receipt of the invoice. Invoices shall identify in detail the costs included in each such invoice. County shall have the right to audit such invoices at the sole cost and expense of the County. Two Main agrees to cooperate in providing such documents and information as are necessary for County to complete its audit. Invoices shall be submitted to County upon the occurrence of each of the following events: (a) execution of this Agreement for costs incurred prior to execution of this Agreement, and (b) completion of construction of the Initial Accommodation. In the event that Two Main becomes aware of circumstances that may cause a delay of construction operations under paragraph 2.1 (c) above, Two Main will, as soon as practical, advise County in writing of the circumstances. Two Main will thereafter provide to County, within a reasonable period of time after request, updated information concerning the delay and cost of the delay to the extent available. County shall have the right at any time after receipt of notice of delay to terminate this agreement by notice in writing to Two Main. In the event of such termination, County shall pay to Two Main, within 30 days of such termination, all unpaid costs for Initial Accommodation incurred by Two Main to the date of such termination and any additional reasonable costs required to be incurred by Two Main as a result of such termination. Such termination shall not affect Two Main's rights under the Permit granted to Two Main under this Agreement.

3. **PERMIT FOR MATERIALS AND EQUIPMENT STAGING AREA.** County shall grant to Two Main a Permit for construction staging and storage use the two Staging Areas indicated on **Exhibit D-1** in the form attached as **Exhibit G** (the "Permit"). Two Main and County shall execute duplicate originals of the Permit upon execution hereof.

4. **DEFAULT AND REMEDIES.** If either party neglects or refuses to carry out this Agreement according to its terms, the other party shall be entitled to such remedies for breach of contract as may be available under applicable law; including (without limitation) the remedy of specific performance.

5. **GENERAL PROVISIONS.**

5.1 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors, and assigns.

5.2 **Time of Essence.** Time is of the essence of each and every provision of this Agreement.

5.3 **Notices.** All demands or notices required or permitted to be given under this Agreement shall be in writing. Notices may be served by certified or registered mail, postage paid with return receipt requested; by nationally recognized private overnight courier, prepaid; by telex, facsimile, or other telecommunication device capable of transmitting or creating a written record (provided that a copy is also sent by U.S. Mail, first class); or personally. Mailed notices shall be deemed delivered five (5) days after mailing, properly addressed. Couriers notices shall be deemed delivered on the date that the courier warrants that delivery shall occur. Telex, facsimile or telecommunicated notices shall be deemed delivered when receipt is either confirmed by confirming transmission equipment or acknowledged by the addressee or its office. Personal delivery shall be effective when accomplished. Unless a party changes its address by giving notice to the other party as provided herein, notices shall be delivered to the parties at the following address:

Two Main: Two Main Development LLC
c/o Shorenstein Realty Service, LP
555 California Street, 49th Floor
San Francisco, CA 94104
Attn: Corporate Secretary

With a copy to: Todd Sklar
c/o Shorenstein Realty Services, LP
555 California Street, 49th Floor
San Francisco, CA 94104

County: Multnomah County, Oregon
401 N. Dixon, Portland Oregon, 97227
Attn: Facilities Director

With a copy to: Multnomah County Attorney
501 SE Hawthorne Blvd Ste 500
Portland OR 97214

5.4 **Waiver.** Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

5.5 **Attorneys' Fees.** Each party shall pay its own attorney's fees incurred in the preparation of this Agreement, the Tunnel Easement Agreement, and the Permit. In the event suit or action is instituted to interpret or enforce the terms of this Agreement or to rescind this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law.

5.6 **Prior Agreements.** This Agreement supersedes and replaces all written and oral agreements previously made or existing between the parties (including, without limitation, all previous letters of intent and addenda thereto and all verbal agreements and understandings).

5.7 **Applicable Law.** This Agreement shall be construed, applied, and enforced in accordance with the laws of the state of Oregon.

5.8 **Changes in Writing.** This Agreement and any of its terms may only be changed, waived, discharged, or terminated by a written instrument signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

5.9 **Counterparts.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

TWO MAIN DEVELOPMENT LLC
a Delaware Limited Liability Company

By _____
Title _____

MULTNOMAH COUNTY OREGON,
a political subdivision of the State of Oregon

By TED WHEELER
Ted Wheeler
Chair

5.5 **Attorneys' Fees.** Each party shall pay its own attorney's fees incurred in the preparation of this Agreement, the Tunnel Easement Agreement, and the Permit. In the event suit or action is instituted to interpret or enforce the terms of this Agreement or to rescind this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law.

5.6 **Prior Agreements.** This Agreement supersedes and replaces all written and oral agreements previously made or existing between the parties (including, without limitation, all previous letters of intent and addenda thereto and all verbal agreements and understandings).

5.7 **Applicable Law.** This Agreement shall be construed, applied, and enforced in accordance with the laws of the state of Oregon.

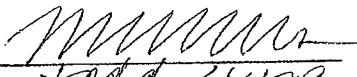
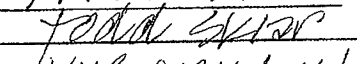
5.8 **Changes in Writing.** This Agreement and any of its terms may only be changed, waived, discharged, or terminated by a written instrument signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

5.9 **Counterparts.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

TWO MAIN DEVELOPMENT LLC
a Delaware Limited Liability Company

By

Title



Vice president

MULTNOMAH COUNTY OREGON,
a political subdivision of the State of Oregon

By

Ted Wheeler
Chair

Exhibit A	Property
Exhibit B	County Justice Property
Exhibit C	County Court House Property
Exhibit D	Staging Area
Exhibit E	Tunnel Easement Agreement
Exhibit F	Illustration of Initial Accommodations
Exhibit G	Permit

County Justice Property

All of Block 25, PORTLAND ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon

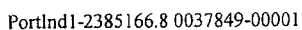


EXHIBIT D

Staging Area

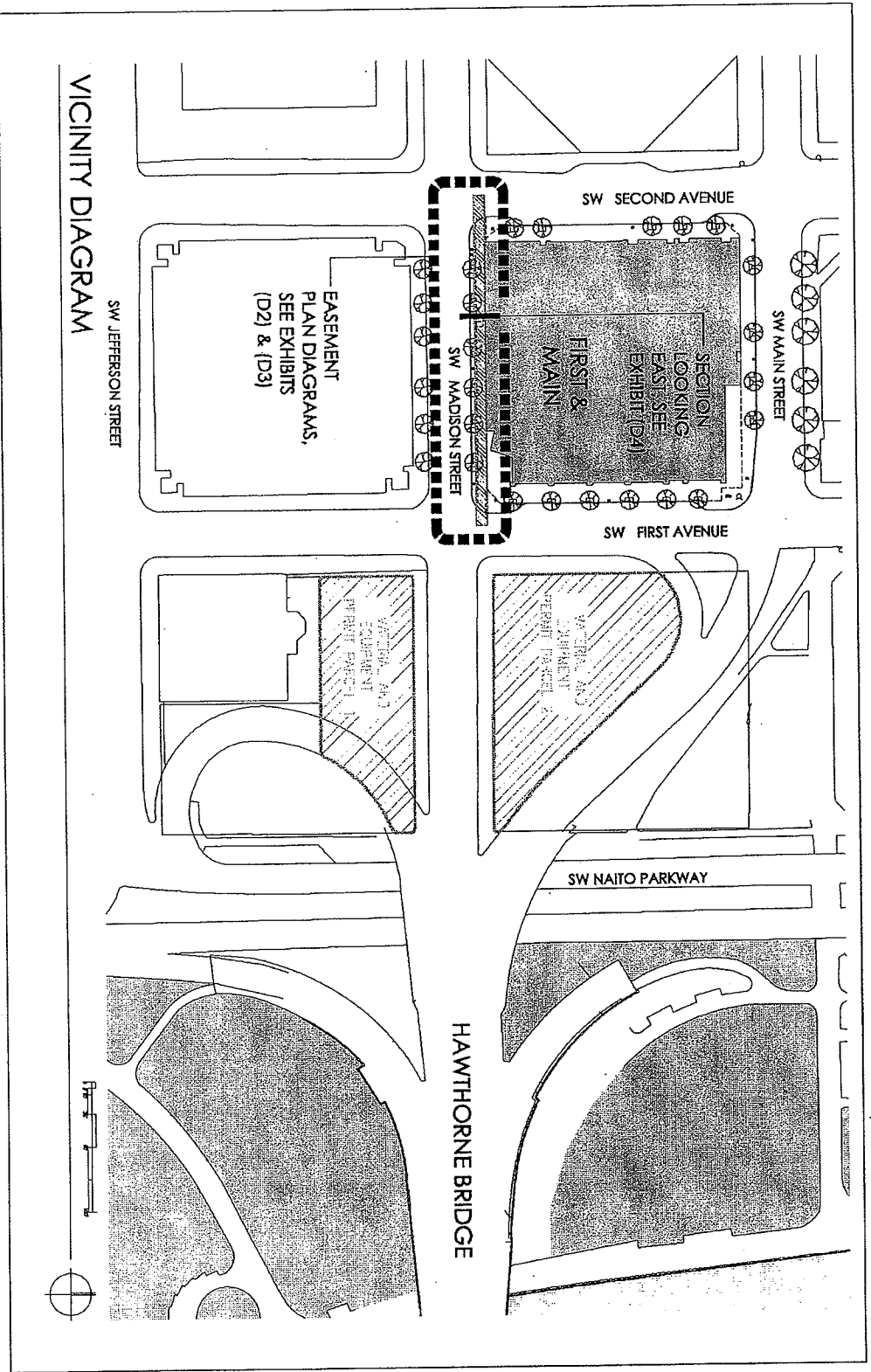


Exhibit E

AFTER RECORDING, RETURN TO:
John S Thomas
Multnomah Co Atty's Ofc
501 SE Hawthorne Blvd Ste 500
Portland OR 97214

TUNNEL EASEMENT AGREEMENT

THIS TUNNEL EASEMENT AGREEMENT (the "**Agreement**") is entered into this _____ day of _____, 20__, by Two Main Development LLC, a Delaware limited liability company ("**Grantor**") and Multnomah County, Oregon, a political subdivision of the State of Oregon ("**Grantee**").

RECITALS:

A. Grantor is the owner of certain real property located in the City of Portland, Multnomah County, Oregon, more particularly described on the attached **Exhibit A** (the "**Grantor's Property**"). Grantor is constructing a building on the Property (the "**Two Main Building**").

B. Grantee is the owner of certain real property located in City of Portland, Multnomah County, Oregon, more particularly described on the attached **Exhibit B** (the "**County Justice Property**") and on the attached **Exhibit C** (the "**County Court House Property**"). Justice Center building is located upon the County Justice Property (the "**Justice Center**"). The County intends to construct a new County Court House building on the County Court House Property (the "**New Court House**").

C. Grantee wishes to obtain a perpetual right-of-way easement through the subsurface portion of Grantor's Property for a continuous underground pedestrian tunnel ("**Tunnel**") to connect the Justice Center to the New Court House as more specifically described below.

D. Grantor is willing to grant such easement upon the terms and conditions of this Agreement.

Grantee with Grantor's permit drawings described in attached **Exhibit E** showing improvements Grantor intends to construct in the Tunnel Easement. Grantor shall be permitted to construct such improvements in the Tunnel Easement area and may modify such improvements to the extent necessary to address conditions encountered in the course of construction. If modifications to the plans are required, in making such modifications, Grantor shall, to the extent reasonably practicable, minimize interference with Grantee's Tunnel Easement.

4. **Grantee's Right of Entry.** Grantee shall have a right of entry through the sidewalk and street on the surface of Grantor's Property located above the Tunnel Easement, as is reasonably necessary or convenient for access to the Tunnel Easement area for the purpose of planning, design, construction, operation, maintenance, use, modification, repair or replacement and improvement of the Tunnel or to perform any other work on the Tunnel. Grantee shall use commercially reasonable efforts to minimize any disturbance to the use of Grantor's Property resulting from any such entry by Grantee. Grantee shall not disturb or damage any improvement to Grantor's Property including without limitation Grantor's electrical vault located above the Tunnel Easement area. If any improvements to Grantor's Property are disturbed or damaged by such an entry then Grantee shall restore all disturbance or damage comparable to the original condition as soon as reasonably possible. Grantee shall not access Grantor's improvements on the Grantor's Property from the Tunnel at any time.

5. **Nuisance or Endangerment.** Grantee shall not cause any nuisance or dangerous condition by its use of the Tunnel Easement or that unreasonably interferes with, or is an unreasonable disturbance or endangerment of, the safe and peaceful possession and intended commercial office use of the Grantor's Property. So long as Grantee is exercising its rights under paragraph 4 in accordance with paragraph 4, Grantee shall not be deemed to be in violation of this paragraph 5. Grantor shall not cause any nuisance or dangerous condition in its use of the Grantor's Property; nor shall Grantor unreasonably interfere with or unreasonably obstruction, disturb or endanger the safe and peaceful intended right-of-way use of the Tunnel. Each party acknowledges that among other damages, for which a party may be liable due to a breach of its obligations under this Agreement, is the increase in the cost of the other party's property and liability insurance resulting from any such breach.

6. **Legal Compliance.** Subject to properly contested requirements as described below, each party to this Agreement must comply with all laws, ordinances, rules and regulations ("**Legal Requirements**") applicable to their use of the Grantor's Property including, but not limited to, those relating to protection of the environment, zoning, building, fire, health and safety of any government or any agency, body or subdivision thereof and bearing on the construction, operation, ownership or use of the Grantor's Property and any or all improvements of the Grantor's Property. Compliance with any Legal Requirement that requires alteration, improvement, maintenance, repair or modification of property must be accomplished by and at the sole expense of the party, as the case may be, who has the obligation hereunder to maintain and repair the property affected by any such Legal Requirement. Each party must give prompt notice to the other party of any written notice received of the violation of any Legal Requirement affecting the party's property that is the subject of this Agreement. Notwithstanding the foregoing provisions, either party may, at such party's expense, defer compliance with and contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any Legal Requirement affecting any portion of the Grantor's Property that such

abandonment of the Tunnel Easement other than a written statement of the County's intent to abandon the Tunnel Easement. This Easement may be abandoned by Grantee without removing the Tunnel from the Grantor's Property. However, Grantee shall, at its expense, seal, fill or otherwise secure the Tunnel in a manner proposed by Grantee and reasonably acceptable to Grantor. Grantor may reasonably withhold its consent to any proposal which poses a threat of future disturbance or damage to any improvements to Grantor's property.

12. **Benefits and Burdens.** This Tunnel Easement is appurtenant to and shall run with both the County Justice Property and the County Court House Property and shall inure to the benefit of Grantee, its successors and assigns and shall be binding upon the Grantor's Property as the servient estate.

13. **Remedies and Attorneys' Fees.** In the event of any breach of the provisions of this Tunnel Easement Agreement, the aggrieved party shall be entitled to exercise any remedy provided by law or equity, including the remedies of injunction and/or specific performance. In the event litigation is commenced to enforce the provisions of this Tunnel Easement Agreement, the prevailing party shall recover from the other party, in addition to all other costs and damages, reasonable attorneys' fees at trial, in arbitration or upon any appeal or petition for review thereof.

14. **Default and Remedies.** In the event a party determines that the other party is violating any requirements of this Agreement then the party must be given written notice to the other party of its alleged violation and an opportunity to correct its violation within thirty (30) days of the notice except in the event of an emergency. In such case the other party may either commence to correct the violation within such time period, in which event the complaining party may take no further action against the violator, or submit the issue of whether a violation exists to litigation, in which event the complaining party may take no action until the litigation is resolved. In the event of an emergency either party may take such actions as they in good faith determine necessary in the circumstances to protect their respective interests including if necessary reasonable self help action or an ex parte petition for provisional process from a court of competent jurisdiction. In the event of any violation of the provisions of this Agreement, the aggrieved party shall be entitled to exercise any remedy provided by law or equity other than termination of this Agreement, including the remedies of injunction and/or specific performance.

15. **Miscellaneous.** The invalidity of any part of this Agreement will not impair or affect in any manner the validity, enforceability or effect of the balance of this Agreement. As used herein, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and in no way limit any provisions of this Agreement. No restriction, condition, obligation, or provision contained in this Agreement may be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof that may occur. Nothing herein shall be construed as a waiver of the Grantee's future exercise of its power of eminent domain with respect to the Grantor's Property. Grantee hereby acknowledges that it does not intend to exercise its power of eminent domain with respect to the Grantor's Property so long as the Tunnel Easement provided for herein can reasonably be used by Grantee for the Grantee's purposes described in this Agreement. In the event the performance of any obligation under this

STATE OF OREGON

COUNTY OF

)
) ss.
)

This instrument was acknowledged before me on the _____ day of _____, 2007, by _____ as _____ of Two Main Development LLC, a Delaware limited liability company, on its behalf.

Notary Public
My commission expires:
Commission No.:

STATE OF OREGON

COUNTY OF

)
) ss.
)

This instrument was acknowledged before me on the _____ day of _____, 2007, by Ted Wheeler as Chair, Board of County Commissioners of Multnomah County, Oregon, a political subdivision of the State of Oregon, on its behalf.

Notary Public
My commission expires:
Commission No.:

County Justice Property

All of Block 25, PORTLAND ADDITION TO THE CITY OF
PORTLAND, in the City of Portland, County of Multnomah and State
of Oregon

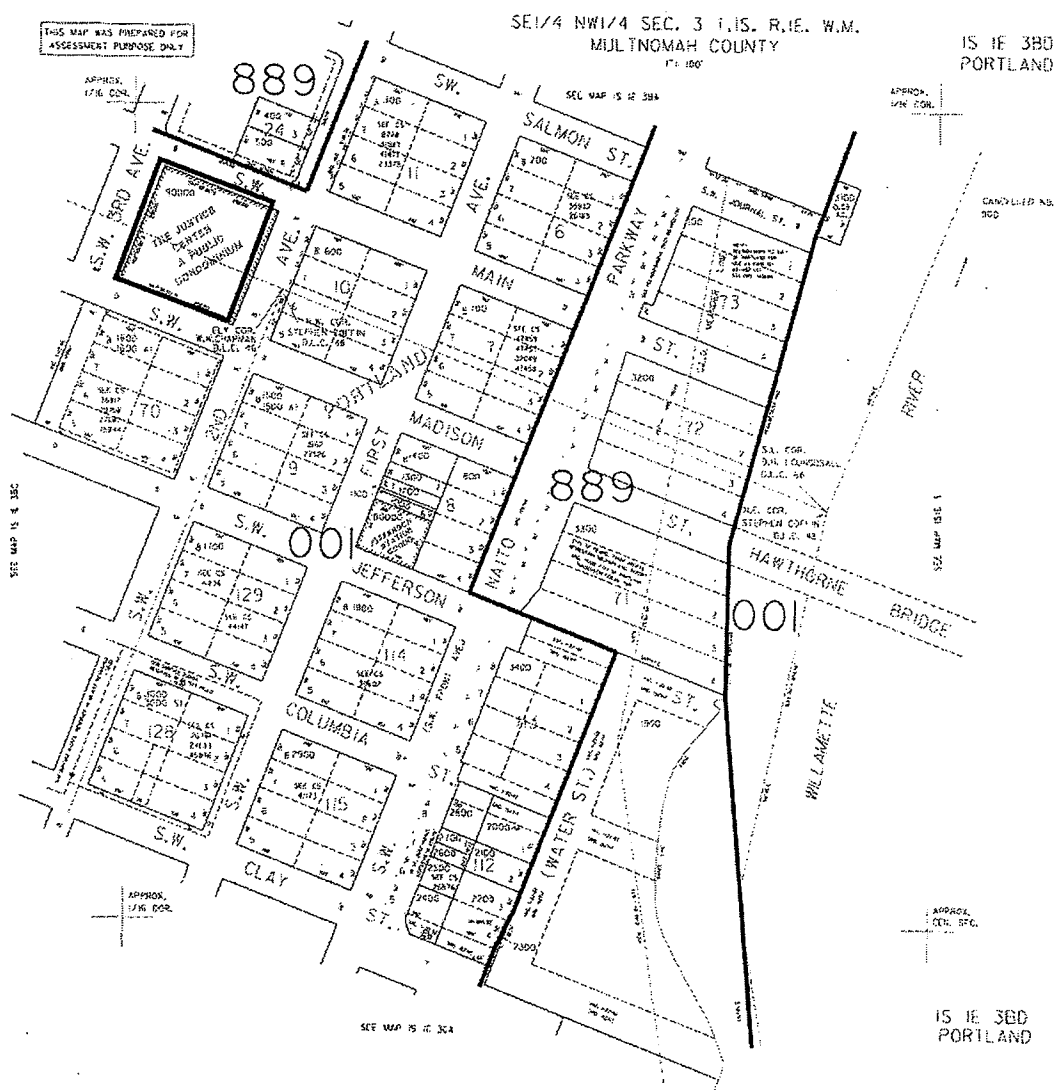
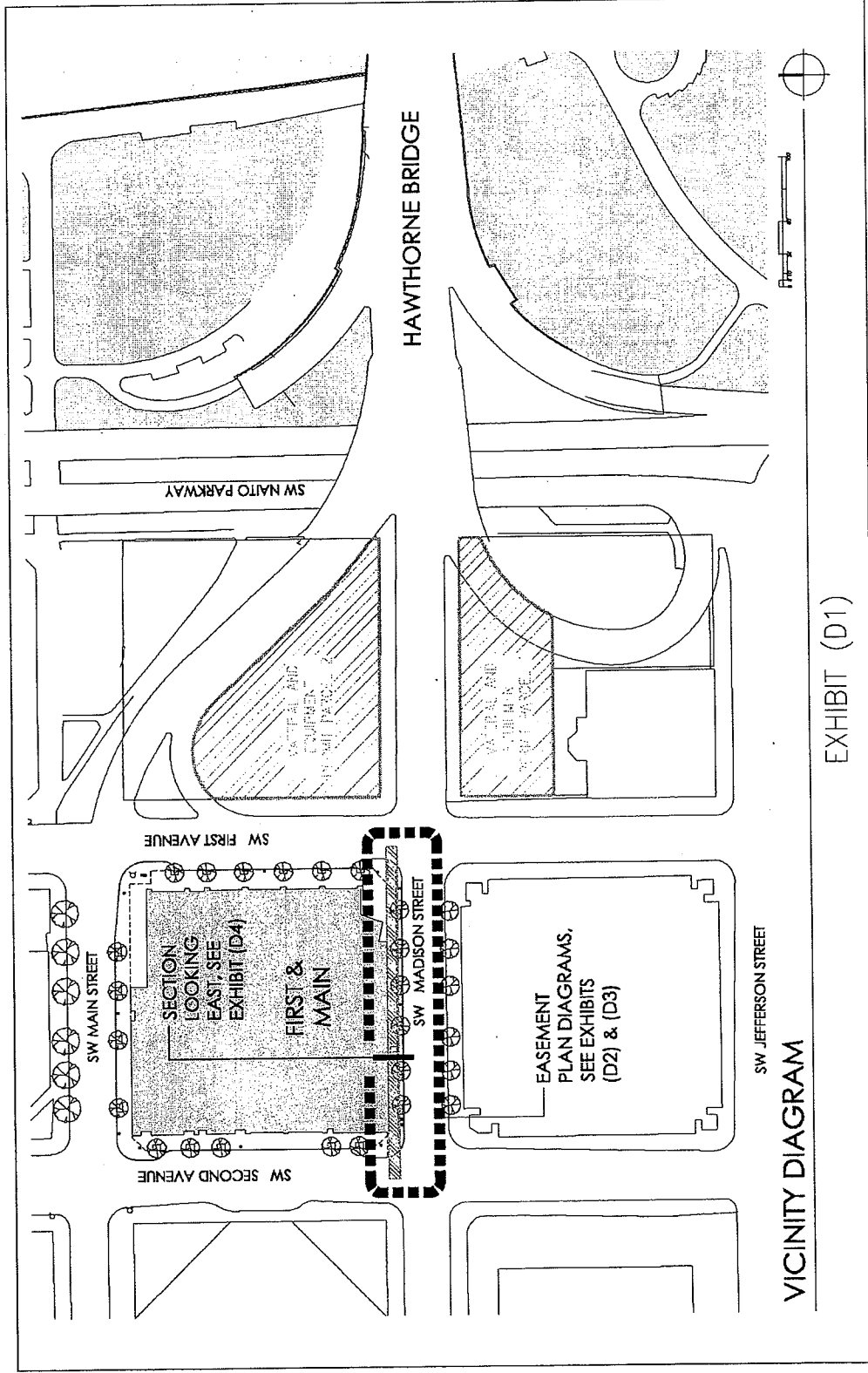


EXHIBIT D-1

Vicinity Diagram



Basement Plan

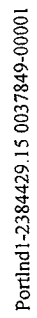


EXHIBIT D-5
Legal Description

Tunnel Easement

(This is a preliminary description. Upon completion of a final description by Grantor, the parties shall initial such final description and Grantor shall replace this description with the final description.)

EXHIBIT F

Illustration of Initial Accommodations

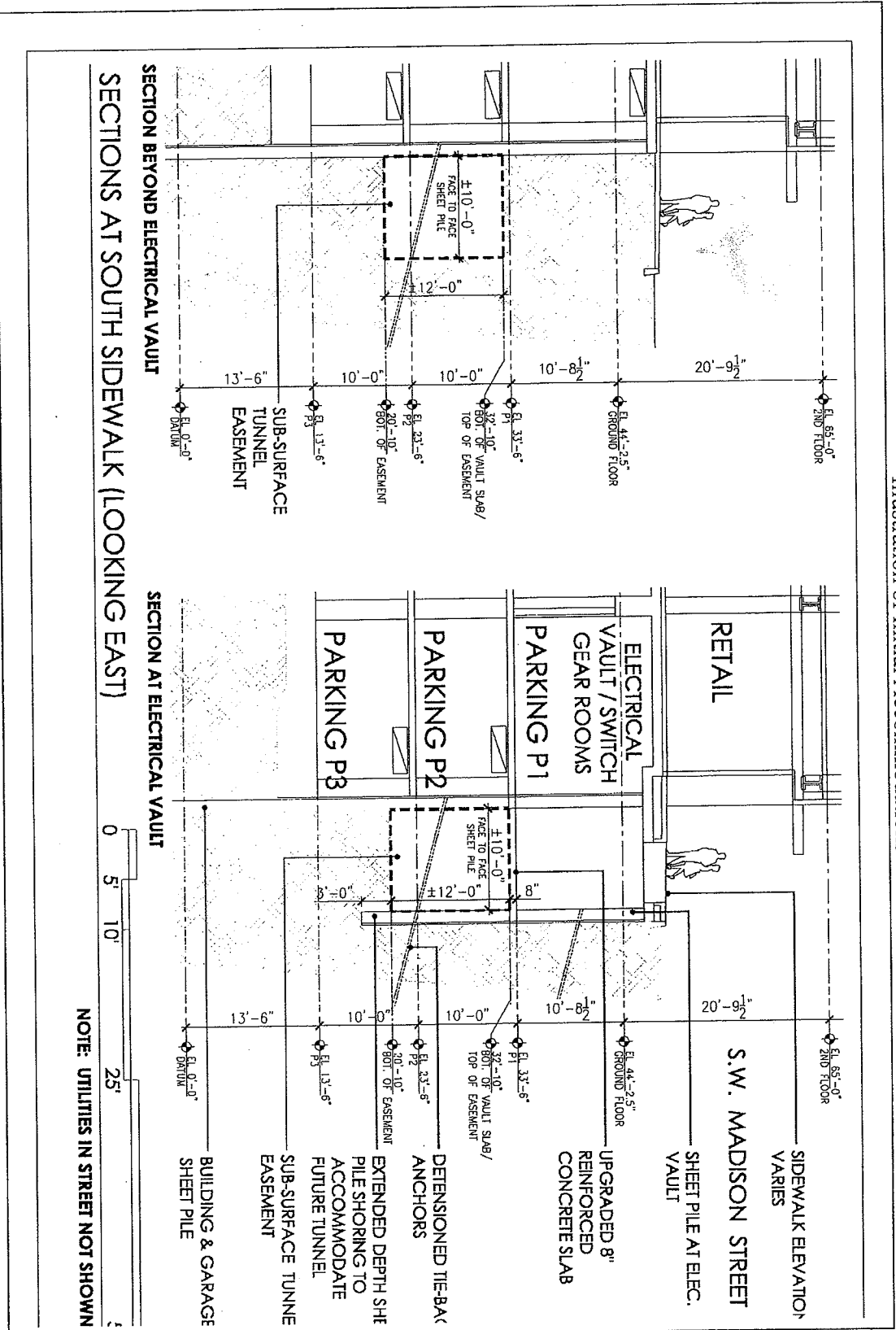


EXHIBIT G

PERMIT (MC PERMIT # _____)

This is an agreement between Multnomah County ("County"), by and by Two Main Development LLC ("**Two Main**") and Hoffman Construction Company ("**Contractor**") collectively ("**Permittees**") effective as of December 11, 2007 ("**Effective Date**").

Recitals

A. Two Main has contracted with Contractor to build a building on Two Main's property located at 100 SW Main in the City limits of Portland, Oregon.

B. Permittees desire to use the north 75' of Block 8, Portland (Parcel 1) and that portion of Block 7, Portland lying south and east of the bridge ramp located thereon (Parcel 2) except the bridge ramp improvements and slopes located on each parcel ("**Permit Property**") for the purpose of staging for construction and for storage of construction material and equipment and parking of construction vehicles required to construct the. The approximate location of the Permit Property is shown on Exhibit A.

THE PARTIES AGREE AS FOLLOWS:

1. Recitals are Contractual. The above listed Recitals are contractual and are incorporated by this reference.

2. Grant of Revocable Permit. Permittees are granted authority to use the Permit Property on the terms and conditions set forth herein. Permittees accept the property AS IS. County shall not be liable for any defects in the property, known or unknown.

3. Term. The term of this Permit is as follows:

Parcel 1: From the Effective Date through February 31, 2010

Parcel 2: From the Effective Date through August 31, 2008 and thereafter month to month.

During the term, County may, on 5 work day's notice (or in the event of an emergency, on 24 hour's notice) require Permittees to vacate such portions of the Permit Property as may be necessary for the County to perform maintenance, repair, demolition or other work on County's bridge ramp improvements located on and adjacent to the Permit Property.

4. Scope of the Permit. Permittees shall use the Permit Property for the purpose of staging for construction and for storage of construction material and equipment; staging of demolition receptacles; and parking of Permittees' vehicles and for no other purpose. Use of the Permit Property by Permittees shall be subject to the following terms and conditions:

a. County personnel shall have access to the Permit Property on reasonable notice to Permittees.

b. No vehicles in excess of 40,000 pounds, gross vehicle weight, will be allowed on the Permit property without prior written approval of the County.

c. Permittees shall be solely responsible for costs associated with use of the Permit Property.

- d. Permittees shall comply with all applicable federal, state and local laws and regulations.
- e. Permittees shall obtain all necessary permits or approvals as may be necessary for the use of the Permit Property. Permittees agrees to indemnify the Commission as provided above for any damages caused by the violation thereof of any permits or approvals that may otherwise be required.
- f. Permittees shall not allow any lien of any kind, type or description to be placed or imposed upon the Permit Property.
- g. Permittees shall be responsible, at Permittees' cost, for providing screening between Parcel 1 and the adjacent Veritable Quandary restaurant acceptable to the owner of the Veritable Quandary during the term of the Permit as it relates to Parcel 1.

5. Maintenance; Restoration of County's Property on Termination. Permittees shall be solely responsible, at their cost, for the maintenance and repair of the Permit Property as may be reasonably necessary to maintain the same in a safe and suitable condition for the purposes set forth herein. At the expiration of this Permit, all improvements and alterations to the Permit Property constructed by Permittees shall be removed at Permittees' sole expense and the Permittees shall restore the Permit Property to the condition it was in prior to the Effective Date.

6. Damage to County's Property. Any damage to County's property resulting from the use of the Permit Property shall be immediately reported to County in writing and repaired by Permittees at Permittees' sole expense and County's sole satisfaction.

7. Indemnity and Insurance. Permittees agree to indemnify, defend and hold County harmless from and against all liability, damage loss, and costs of any nature whatsoever, including attorney fees, arising from or relating to the use of the Permit Property by Permittees and Permittees' agents, employees, independent contractors, licensees and invitees and any other person whether or not such use is permissive. Permittees shall provide at their own expense and keep in force during the Term of the Permit, naming County insured, a commercial general liability insurance policy or such successor comparable form of coverage (hereinafter referred to as a "Liability Policy") written on a "per occurrence basis," including, without limitation, blanket contractual liability coverage, broad form property damage, independent contractor's coverage, and personal injury coverage, protecting County and Permittees against liability occasioned by any covered occurrence on or about the Permit Property. Such policy shall be written by an insurance company acceptable to County in County's sole discretion and licensed to do business in the State of Oregon and shall provide coverage limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily or personal injury (including death) and property damage combined, subject to a commercially reasonable deductible. Prior to the time such insurance is first required to be carried by Permittees and thereafter, Permittees agree to deliver to County a certificate evidencing such insurance coverage. Said certificate shall contain an endorsement that such insurance may not be canceled except upon ten (10) days' prior written notice to County. Any damage to County's Property or the Permit Property resulting from the use of the License Property shall be promptly reported to County and repaired by Permittees at Permittees' sole expense.

8. Hazardous Materials.

a. No hazardous materials shall be stored or used on the Permit Property except those typically stored or used in the operation of the activities allowed under this Permit, provided however that such storage or use shall comply with all applicable federal, state and local laws thereto. materials shall be except in compliance with all federal, state and local laws applicable thereto. Upon the expiration or termination of this Permit,

Permittees shall remove immediately all such materials from the Permitted Property. As used herein, the term "**hazardous materials**" means any hazardous or toxic substance, material or waste which is now or hereafter the subject of Governmental Regulations, including without limitation any material or substance which is (A) defined as a "hazardous waste," under Oregon Revised Statutes ("**ORS**") 465.003 and ORS 466.005, (B) defined as a "toxic substance" under ORS 465.003, (C) defined as a "hazardous substance," under ORS 465.200, (D) defined as a "PCB" under ORS 466.505, (E) defined as a "hazardous material" under ORS 465.605, (F) designated as a "hazardous substance," "hazardous waste" or "hazardous material" by the Environmental Quality Commission, (G) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act 33 U.S.C. § 1251 et. seq., (33 U.S.C. § 1321) or as listed pursuant to § 307 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (H) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 9601), (I) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., or (J) identified as a "chemical of interest" by the Federal Department of Homeland Security.

9. Taxes Permittees shall be responsible for all ad valorem taxes assessed against the Permit Property during the term of this Permit. If Permittees are in possession and control of the Parcel 1 or Parcel 2 pursuant to this Permit on July 1 of any year during which this Permit is in effect such parcel shall be taxable for ad valorem tax purposes for tax year beginning January 1 of such year and Permittees shall be pay the full year of taxes regardless of whether Permittees are in possession and control of the such parcel for the full tax year.

10. Miscellaneous. All exhibits referenced in this Permit are incorporated herein. Any amendment or alteration to this Permit shall only be in writing and shall be signed by each party to the Permit. This Permit shall be governed by and construed in accordance with the laws of the State of Oregon. In the event of litigation, exclusive venue shall lie in Multnomah County, Oregon. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

11. No Recordation. This Permit shall not be recorded.

12. Notice. Notices under this Permit shall be deemed to be properly served if delivered in writing via facsimile or by certified mail with return receipt requested to the following addresses or such other places as the parties reasonably designate:

To COUNTY: Multnomah County Department of Community Services
Land Use and Transportation Program
Right-of-Way Permit Section – Alan Young
1600 SE 190th Avenue
Portland, Oregon 97233-5910
503.988.3389 Facsimile

To PERMITTEES: Two Main Development LLC
c/o Shorenstein Realty Services, LP
555 California Street, 49th Floor
San Francisco, CA 94104
Attn: Corporate Secretary

415-772-7148 Facsimile

With a copy to: Todd Sklar
c/o Shorenstein Realty Service, LP
555 California Street, 49th Floor
San Francisco, CA 94104

and: Hoffman Construction Company
805 SW Broadway
Portland, OR

13. Project Managers. On-site project manager for Permittees is Stephanie Coyle who can be contacted by phone at 503.221.8880. County contact representative is Tony Lester, Multnomah County Bridge Shop Maintenance Supervisor, (503) 988-3757 ext 224, or cell (503) 539-3809.

14. Consideration. The consideration for this Permit is the granting of a tunnel easement to Multnomah County on Two Main's property by Two Main.

IN WITNESS WHEREOF, the parties have caused this Permit to be executed in duplicate on the dates shown below.

Permittee, TWO MAIN DEVELOPMENT LLC

Name/Title _____

Date: _____

Permittee, HOFFMAN CONSTRUCTION

Name/Title _____

Date: _____

County, MULTNOMAH COUNTY

Ted Wheeler, Chair

Date: _____

Reviewed

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

By: _____
John S. Thomas

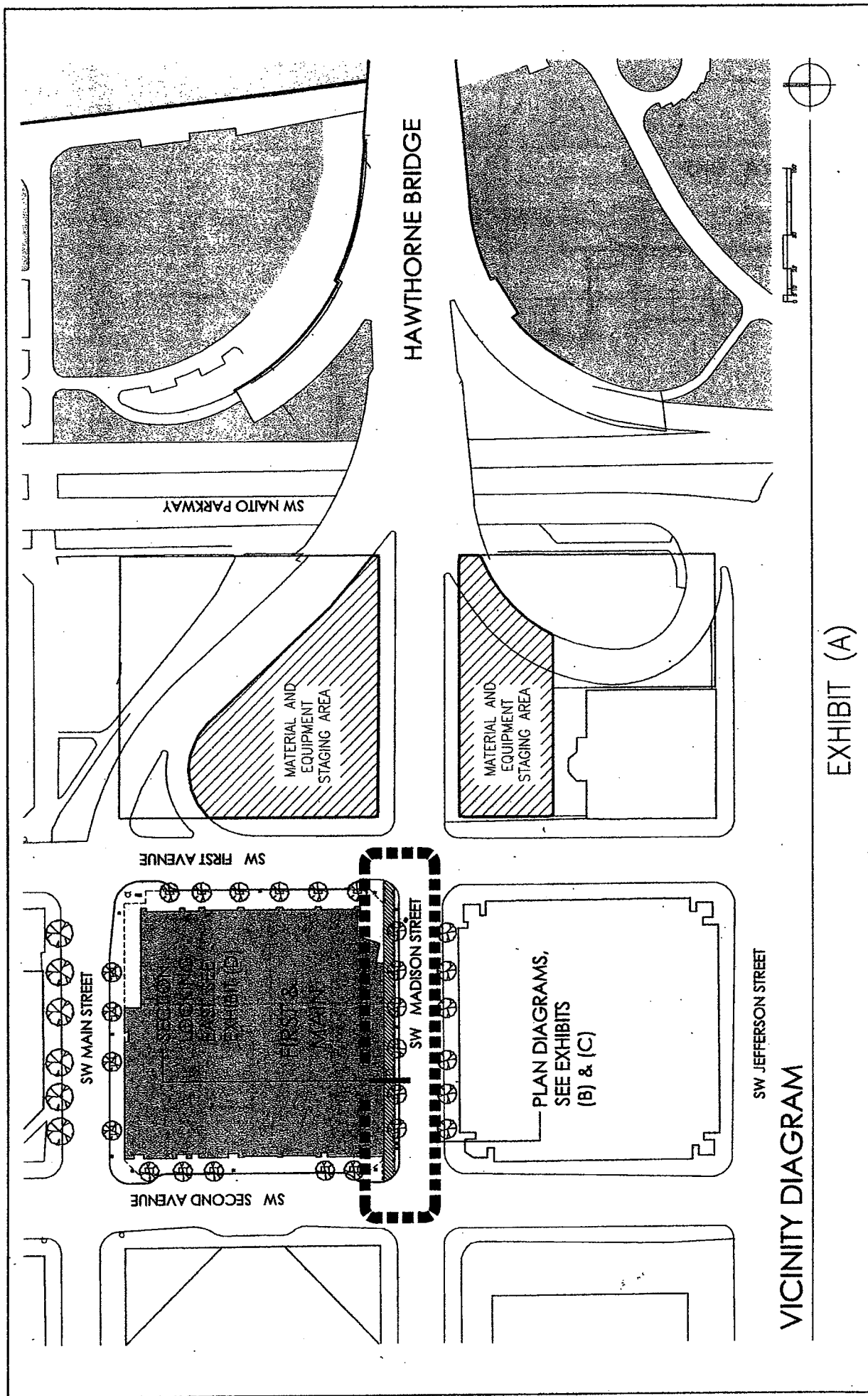


EXHIBIT (A)