

## **AGREEMENT FOR MANAGEMENT SERVICES**

This Agreement for Management Services ("Agreement") is between the Association of Unit Owners of The Justice Center, A Public Condominium, ("Association"), by and through its Board of Directors, and Multnomah County, Oregon, ("County"), by and through its Facilities and Property Management Division.

### **RECITALS:**

A. The Justice Center, A Public Condominium, is a public condominium submitted to condominium ownership ("Building") in accordance with the laws of the State of Oregon and is located in Portland, Oregon.

B. The Association of Unit Owners of The Justice Center, A Public Condominium is organized in accordance with the Declaration Submitting The Justice Center, A Public Condominium to Condominium Ownership ("Declaration") and the Bylaws of The Association of Unit Owners of The Justice Center, A Public Condominium ("Bylaws"). The Building is composed of four units (Units 1, 2, 4 and 5), with Units 1 and 5 owned by the County and Unit 2 owned by the City. Unit 4 is a retail unit owned by nominal private owners but where the County has assumed responsibility for its operation and expenses. The County's and the City's allocation of ownership interest is 57.91% and 41.34% respectively. However, the County and the City have equal allocation of voting rights despite the differing allocation of ownership interests.

C. The board of directors of the Association is authorized by the Bylaws to act as managing agent, or alternatively to contract for a third party managing agent and to delegate to the managing agent those powers and duties as the board of directors may authorize. The board of directors desires to contract with a managing agent for the operation, care, upkeep, maintenance and repair of the general and limited common elements.

D. The Association desires the County's Facilities and Property Management Division to serve as managing agent ("Manager") for the Building rather than submit the services to a Request for Proposal process and to contract with a private property manager at this time. The County has the staff to perform the tasks required for the Association.

E. The County, as a property manager (versus its role as one of the unit owners), wishes to contract with the Association to serve as Manager for the Building.

### **AGREEMENT:**

The Association and Manager hereby agree as follows:

#### **1. MANAGING AGENT**

In consideration of the Compensation to be paid, Manager shall act and perform as managing agent those duties identified in this Agreement for the Association as allowable pursuant to the provisions of the Declaration and Bylaws.

## 2. SCOPE OF MANAGER'S SERVICES

Manager shall provide the Association those services set out in Exhibits A and A-1, and carry them out in a professional and commercially responsible manner.

## 3. SCOPE OF ASSOCIATION'S SERVICES

To assist Manager in carrying out its obligations in this Agreement, the Association shall perform the services set out in Exhibit B.

## 4. MANAGER'S COMPENSATION

The Association or an individual unit owner, where services to the individual unit owner is permitted or necessary pursuant to the Declarations or Bylaws, shall pay Manager for all approved work performed under this Agreement and Manager's overhead compensation, as set out in Exhibit C. The payment shall be full compensation for work performed, for services rendered, and for all overhead, labor, materials, supplies, equipment, and incidentals necessary to perform the work and services as set out in Exhibit A and A-1.

## 5. BILLING AND PAYMENT PROCEDURE

The parties' billing and payment procedures are set out in Exhibit D.

## 6. EFFECTIVE AND TERMINATION DATES

This Agreement shall be effective on July 1, 2008, and shall extend for one year. The Agreement shall be renewed automatically for four additional one year terms, for a potential total of five years to this Agreement, subject to termination by either party as provided herein.

## 7. EARLY TERMINATION OF AGREEMENT

(a) This Agreement may be terminated at any time mutually in writing by: i) the Association and Manager; or, ii) an Unit Owner and Manager. Unit Owner for the purposes of Section 7 shall mean the City or the County (in its owner role), who may be deemed third party beneficiary to this Agreement.

(b) The Association or an Unit Owner, on ninety (90) calendar days written notice to Manager, may terminate this Agreement for any reason deemed appropriate in the Association's or the Unit Owner's sole discretion.

(c) Either the Association, an Unit Owner or Manager may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within fifteen (15) calendar days of the notice or, if the cure cannot reasonably be completed within fifteen (15) calendar days and the breaching party has not commenced curing the breach within fifteen (15) calendar days of the notice and proceeding diligently to cure the breach, then the party giving the notice may terminate the Agreement at any time thereafter by giving a written notice of termination.

## 8. PAYMENT ON EARLY TERMINATION

(a) In the event of termination under subsection 7(a) or 7(b), EARLY TERMINATION OF AGREEMENT, hereof, the Association shall pay Manager for work performed in accordance with the Agreement prior to the termination date.

(b) In the event of termination under subsection 7(c), EARLY TERMINATION OF AGREEMENT, hereof, by Manager due to a breach by the Association, then the Association shall pay Manager as provided in subsection (a) of this section.

(c) In the event of termination under subsection 7(c), EARLY TERMINATION OF AGREEMENT, hereof, by the Association due to a breach by Manager, then the Association shall pay Manager, as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 9(a), REMEDIES.

(d) In the event of early termination, all of Manager's work product shall be immediately turned over to the Association and shall become and remain property of the Association.

## 9. REMEDIES

(a) In the event of termination under subsection 7(c), EARLY TERMINATION OF AGREEMENT, by the Association due to a breach by Manager, the Association may complete the work itself, by agreement with another managing agent or by a combination thereof. In the event the reasonable cost of completing the work exceeds the remaining unpaid balance of the compensation provided under section 4, COMPENSATION, for the then-current fiscal year, then Manager shall pay to the Association the amount of the excess.

(b) The remedies provided to the Association under section 7, EARLY TERMINATION OF AGREEMENT and section 9, REMEDIES, for a breach by Manager shall not be exclusive. The Association shall be entitled to any other equitable and legal remedies that are available.

(c) The remedies provided to the Manager under Section 7, EARLY TERMINATION OF AGREEMENT and Section 9, REMEDIES, for a breach by the Association shall not be exclusive. Manager shall be entitled to any other equitable and legal remedies that are available.

## 10. ASSOCIATION DIRECTORS' DESIGNEES

(a) The contact and designee for the City's Association director shall be the Facilities Services Manager of the City of Portland Office of Management and Finance, or such other person as shall be designated in writing by the Facilities Services Manager.

(b) The contact and designee for the County's Association director shall be the Director of the Multnomah County Facilities and Property Management Division (the Facilities Director) or such other person as shall be designated in writing by the County Chair.

(c) Manager shall recommend for approval by both Association Directors a Manager representative ("Condo Manager") with the requisite training and experience in property maintenance and management related to commercial condominiums or at least two years experience in managing the Building. The Condo Manager shall be responsible for overseeing

the day-to-day operations of the Building and be the direct contact to the Association, the Directors' designees, individual unit owners and tenants of the Building. The proposed Condo Manager may be an employee of Multnomah County Facilities and Property Management, City of Portland Facilities Services, or private property management company. The selection of the Condo Manager will be subject to unanimous approval by the Association Directors. The contact information for the Condo Manager, including phone number(s), email and street addresses, shall be provided to the Association and all unit owners. At any time during this Agreement, the Association or one of its unit owner(s) may request another Condo Manager be selected. Determination of replacement Condo Manager shall follow the same recommendation and approval process. The right of the Association and its Directors to approve or disapprove a proposed Condo Manager shall not be construed as an employment decision by the Association or its Directors; the Condo Manager remains the employee or agent of Manager and shall be subject to training, supervision, discipline and other similar employer actions by Manager.

#### 11. COMPLIANCE WITH LAWS

In connection with its activities under this Agreement, Manager shall comply with all applicable federal, state and local laws and regulations.

#### 12. OREGON LAW AND FORUM

- (a) This Agreement shall be construed according to the laws of the State of Oregon.
- (b) Any litigation between the Association and Manager arising under this Agreement or out of work performed under this Agreement shall occur, if in the state courts, in Multnomah County Circuit Court, and if in the federal courts, in the United States District Court for the District of Oregon. Each party shall be responsible for its own attorney fees.

#### 13. WORKERS' COMPENSATION INSURANCE

- (a) Manager and its subcontractors shall comply with the Oregon workers' compensation law, ORS Chapter 656 and as it may be amended from time to time. Unless Manager and/or its subcontractor demonstrates to the satisfaction of the Association that it is exempted from workers' compensation insurance requirements, Manager and/or its subcontractor shall maintain coverage for all subject workers and provide proof of valid workers' compensation insurance covering the entirety of the term of this Agreement. A copy of Manager's certificate of insurance shall be attached to this Agreement as Exhibit E if applicable, and shall be incorporated herein and made a term and part of this Agreement. Copies of its subcontractors' certificates of insurance shall be maintained at Manager's office and made available upon request of the Association.
- (b) The parties acknowledge that the County is self insured. If the County is no longer self insured or its self-insurance does not cover this Agreement, it shall comply with the workers' compensation insurance requirement in the above subsection. Nothing precludes the County, in its role as Manager, from purchasing workers' compensation insurance coverage for this Agreement.

14. ASSIGNMENT AND SUBCONTRACTING

Manager shall not assign this Agreement, in whole or in part, or any right or obligation hereunder, without the prior written approval of the Association.

Manager may subcontract operation or maintenance services to be provided by Manager, other than the management services, after notification and approval by unit owners. Manager shall require any subcontractor to agree, as to the portion subcontracted, to fulfill all obligations of Manager as specified in this Agreement, including providing insurance coverage and indemnification. Notwithstanding the Manager's subcontracting, Manager shall remain obligated for full performance hereunder, and the Association shall incur no obligation other than its obligations to Manager hereunder.

15. INDEPENDENT CONTRACTOR STATUS

(a) Manager is engaged as an independent contractor and shall be responsible for any federal, state and local taxes and fees applicable to payments hereunder.

(b) Manager, its subcontractors and their respective employees are not employees of the Association and are not eligible for any benefits through the Association including, without limitation, federal social security, health benefits, workers' compensation, unemployment compensation and retirement benefits.

16. NOTICE

Any notice provided for under this Agreement shall be sufficient if in writing and delivered personally to the following addressee or deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed as follows, or to such other address as the receiving party hereafter shall specify in writing:

If to the Association or to the Unit Owners: City of Portland:

City of Portland Office of Management and Finance  
Facilities Services  
Attention: Facilities Manager/Bob Kieta  
1120 SW Fifth Avenue, Room 1204  
Portland, Oregon 97204  
Telephone: 503-823-2039  
Facsimile: 503-823-5342

And

Multnomah County:

Multnomah County  
Facilities and Property Management  
Attention: Facilities Director  
401 N. Dixon Street  
Portland, Oregon 97227-1865  
Telephone: 503-988-3322

Facsimile: 503-988-5643

And

Myung Suk Song  
Kyung Sin Song  
Myung Hee Lee  
Yoon Dong Lee:

Hughes & Zehntbauer, LLP  
121 S.W. Morrison Street, #1020  
Portland, Oregon 97204-3140

If to Manager:

Multnomah County  
Facilities & Property Management  
Attention: Condo Manager  
401 N. Dixon Street  
Portland, Oregon 97227-1865  
Interoffice mail address:  
Telephone: 503-988-3322  
Facsimile: 503-988-5643

17. SEVERABILITY

If any provision of this Agreement is found to be illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the provision shall be stricken.

18. INTEGRATION

This Agreement contains the entire agreement between the Association and Manager and supersedes all prior written or oral discussions or agreements of the parties.

19. FUNDS

The Association certifies that sufficient funds are available and authorized for expenditure to finance the cost of this Agreement.

20. COMMENCEMENT OF WORK

Manager agrees that work being done pursuant to this Agreement shall not be commenced until after:

- i) this Agreement is fully executed by the parties; and,
- ii) the effective date of this Agreement as specified in section 6, EFFECTIVE AND TERMINATION DATES.

## 21. INSURANCE AND INDEMNIFICATION

(a) The parties acknowledge that the County is self-insured. If Manager is no longer self-insured, then Manager shall maintain commercial general liability and property damage insurance, including automobile liability, and a fire legal liability endorsement, that protects the Manager, the Association's unit owners and the Association and their officers, agents and employees from any and all risks, claims demands, actions and suits for damage to property including without limitation cracking or breaking of glass, or personal injury, including death, arising directly or indirectly from Manager's work under this Agreement, whether or not related to an occurrence caused or contributed to by the negligence of the Association or the Association's unit owners. The insurance shall protect Manager against the claims of the Association and the Association's unit owners on account of the obligations assumed by Manager under this Agreement and shall protect the Association, the Association's unit owners and the Manager against claims of third persons. The insurance shall provide coverage not less than \$1,000,000 per occurrence. The Association and its unit owner(s) reserves the right to review the minimum required coverage limitation and to require additional insurance coverage due to statutory or legal changes to the maximum limits of liability imposed on municipalities of the State of Oregon during the term of the Agreement or its legal counsel's risk recommendation. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds the Association and the Association's unit owners and their officers, agents and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not terminate or be cancelled without thirty (30) days written notice first being given to the Association and its unit owners. If the insurance is cancelled or terminated prior to completion of the Agreement, Manager shall provide a new policy with the same terms. The adequacy of the insurance shall be subject to the approval of the City of Portland Attorney and Multnomah County Attorney. Failure to maintain liability insurance or remain self-insured shall be cause for immediate termination of this Agreement by the Association.

(b) Nothing precludes the County, in serving as Manager, from purchasing insurance coverage for this Agreement. If the County elects to purchase insurance, it shall comply with subsection (a) above.

(c) To the extent permitted by the Oregon Constitution, Article XI, § 9, and the Oregon Tort Claims Act, ORS 30.260, et. seq., Manager agrees to indemnify, defend and hold harmless the Association and the unit owners against all claims, losses, damages, costs and expenses arising out of the negligent acts or omissions of Manager, its officers, agents or employees.

(d) To the extent permitted by Oregon law, the Association agrees to indemnify, defend and hold harmless Manager against all claims, losses, damages, costs and expenses arising out of the negligent acts or omissions of the Association, its officers, directors and employees.

## 22. MAINTENANCE OF RECORDS

Manager shall maintain records on a current basis according to professional accounting standards and practices to support its billings to the Association or its unit owners and to

document the performance of services in accordance with this Agreement. The Association and its unit owners or their authorized representatives shall have the authority to inspect, audit and copy, on reasonable notice and from time to time, any records of Manager regarding its billings and performance of services. Manager shall retain these records for inspection, audit and copying for six (6) years from the date of completion or termination of this Agreement. The Association may request that records be retained for longer period if this Agreement or if any work related to this Agreement is subject to litigation.

## 23. OWNERSHIP OF DOCUMENTS

(a) All work performed by Manager under this Agreement shall be considered work made for hire and shall be the property of the Association. The Association shall own any and all data, documents, plans, copyrights, specifications, working papers and any other materials Manager produces in connection with this Agreement. Manager shall deliver those materials to the Association or the Association's director's designees on request.

(b) Manager may retain for its own use and at its own cost originals of the working drawings referred to in subsection (a) of this section.

(c) Any use the Association or its unit owners may make of the materials referred to in subsection (a) of this section, except for purposes of the work contemplated by this Agreement, shall be at the Association's or the unit owner's risk.

## 24. AMENDMENTS

(a) The Association and Manager may amend this Agreement at any time by written amendment executed by the Association and Manager. Unless otherwise provided, any amendment that increases the amount of compensation payable to Manager shall be approved by the directors of the Association. The Association directors' designees may agree to and execute any other amendment on behalf of the Association.

(b) Any change in the Scope of Manager's Services shall be deemed an amendment subject to subsection (a) of this section.

## 25. NON-WAIVER

The Association and Manager shall not be deemed to have waived any breach of this Agreement by the other party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.

## 26. CONFLICTS

This Agreement is subject to the Declaration and Bylaws of The Justice Center Condominium, and in the event of any conflict between the provisions of this Agreement and the provisions of the Declaration and Bylaws, the latter shall control.



## 27. PAYMENTS TO VENDORS AND CONTRACTORS

Manager shall timely pay all suppliers and contractors providing it services, materials or equipment for carrying out its obligations under this Agreement. Manager shall not take or fail to take any action in a manner that causes the Association or its unit owners to be subject to any claim or lien of any person without the Association's prior written consent.

FOR MANAGER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Director of Facilities and Property  
Management

Date: \_\_\_\_\_

Tax I.D. No. 93-6002309 \_\_\_\_\_

Telephone No. \_\_\_\_\_

Fax No.: \_\_\_\_\_

FOR ASSOCIATION:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Mayor, City of Portland

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Chair, Multnomah County Board of  
Commissioners

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
City Attorney

APPROVED AS TO LEGAL SUFFICIENCY

\_\_\_\_\_  
Multnomah County Attorney

## EXHIBIT A

### SCOPE OF MANAGER/CONDO MANAGER SERVICES

#### 1. GENERAL SERVICES

A. Manager shall provide common area and common systems building maintenance and repair services, including preventative maintenance services, for the building known as The Justice Center located at 1120 SW Third Avenue, Portland, Oregon (the "Building"). Manager shall cause the general common elements of the Building and appurtenances and those limited common elements that serve more than one unit to be maintained in good condition and repair. Such maintenance shall include, but not be limited to, cleaning, painting, decorating, landscaping, carpentry, plumbing, electrical, and heating, ventilating and air conditioning maintenance and repair, and such other normal maintenance and repair work as may be requested by Association, the Association's unit owners or which in the Manager's judgment are necessary to preserve and protect the common elements.

B. Manager, through its Condo Manager, shall promptly advise the Association of all matters requiring decision by the Association concerning the management of the Building. Its Condo Manager shall prepare and submit to the Association a written analysis of property management issues, including financial and/or other relevant information and recommendation for action, so that the Association may make prudent decision regarding the pending issue. Its Condo Manager shall meet with the Association or its director's designees at such place and time as shall be mutually agreed to inform and discuss the issue.

C. Manager shall cause the general common elements and those limited common elements which pertain to more than one unit to be supplied with necessary services and utilities, including water, trash removal, sewage disposal, electricity, telephone, gas, building security and any other services as its Condo Manager may deem advisable and commercially reasonable.

D. Manager shall cause the individual units and those limited common elements which pertain to only one unit to be supplied with necessary services and utilities, including water, trash removal, sewage disposal, electricity, gas, and any other services as its Condo Manager and unit owner representatives deem advisable and as agreed in writing to have performed. The costs for such services shall be assessed to the unit owner as provided in the Declaration and billed to the unit owner as provided in Exhibit D.

#### 2. SPECIFIC SERVICES

In providing the general services described above, Manager shall provide not less than the following specific services:

##### **A. ADMINISTRATIVE SERVICES**

1) Manager, through its Condo Manager, shall consult with the Association, communicate with Association directors' designees and issue quarterly reports in reasonable detail showing the work performed. Its Condo Manager shall coordinate the services provided under this Agreement.

2) Manager, through its Condo Manager, shall at the request of the Association organize meetings of the Association including preparation and delivery of notices of the

meetings. Its Condo Manager shall prepare the agenda for the meetings, oversee the election of directors and officers, and circulate minutes of the meetings.

3) Manager, through its Condo Manager, shall keep all records of the affairs of the Association, including but not limited to minutes of meetings, correspondence, modifications of the bylaws and other records required by the bylaws. All such records shall be available to the Association, auditors, and unit owners

4) Manager, shall consider the value of alternative contractors, service providers, supplies or materials, sustainable ('green') building practices, building systems and equipment, together with other considerations based on City or County policy, program, budget and aesthetics in developing maintenance programs and schedules. In performance of services, Manager shall use environmentally safe and healthful methods and materials (i.e., use environmentally healthful methods for cleaning and using 'green' chemicals).

5) Manager, through its Condo Manager, shall assist the Association in connection with the Association's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Building, if required.

## **B. FISCAL MANAGEMENT**

1) By November 15 of each year, Manager shall prepare an operating expense budget for each fiscal year or biennium (the Operating Budget) and a fiscal year budget for capital improvement projects for the building (the Capital budget). These budgets shall be submitted to the Association for approval. The Association shall provide its non-binding approval of the Operating and Capital budgets to the Manager, through its Condo Manager, not later than the fifteenth day of December following their submittal to the Association. The budget shall reflect the allocations required by the Declaration, Bylaws and the utility calculations included in this agreement, and shall include all foreseeable expenses of the building for the next ensuing fiscal year July 1 through June 30. The proposed Operating Budget and Capital Budget for each fiscal year are not final until the final budget appropriations are approved by the City Council and the County Board of Commissioners.

2) When the building maintenance requirements have been sufficiently identified, Manager shall prepare a budget. This budget shall be based on generally accepted estimating techniques. Manager shall update and refine the budget as additional information, including firm bids, become available. Its Condo Manager shall advise the Association of any adjustments to the Operating Budget indicated by changes in the maintenance requirements or general market conditions. If at any time Manager's estimated budget exceeds the Operating Budget, Manager, through its Condo Manager, shall make appropriate recommendations to the Association to adjust the size, quality or scope of work, and the Association shall cooperate with Manager in making such adjustments.

3) Evaluations of the budget for the Building, the Operating Budget and Reserve Budget and updated estimates of the budgets represent Manager's judgment as a property management professional familiar with the maintenance and repair of high rise office buildings. It is recognized, however, that neither Manager nor the Association has control over the cost of labor, competitive bidding, market or negotiating conditions. Accordingly, Manager cannot and does not warrant or represent that bids or negotiated prices shall not vary from the budgets or from any estimate or evaluation prepared or agreed to by Manager.

4) In preparing estimates of the budgets, Manager shall be permitted to include contingencies for bidding and price escalation, to determine what materials, equipment, component systems and methods of repair or maintenance are to be included in the contract, to make reasonable adjustments in any scope of the work to be performed, and to include alternate bids as may be necessary to adjust the estimated budgets to meet the Association's approval. Non-budgeted additional work determined necessary by Manager requires budget modification and written approval by the Association prior to start of work.

5) The Association shall reimburse Manager monthly, within thirty days of billing, for approved operating expenses and approved capital improvement expenditures of the Building.

6) Its Condo Manager shall provide the Association with annual financial statements in form and detail reasonably satisfactory to the Association, concerning all expenditures and revenue, if any, connected with the Building.

### **C. GENERAL ADMINISTRATION**

1) The Condo Manager shall provide day-to-day management of the general common elements and limited common elements serving more than one unit of the Building, and shall supervise and administer all contracts entered into by Manager on behalf of the Association. The Association shall annually review the performance of the Condo Manager at the time of consideration of the annual budgets submitted under Section 2 B of this Exhibit A.

2) The Condo Manager shall visit the Building at intervals appropriate to the state of the condition of Building and any pending contractor's operations. The Condo Manager shall become generally familiar with and to keep the Association informed about the need for any future repair or maintenance or the progress and quality of work performed. The Manager shall take all necessary actions to guard the Association against defects and deficiencies in work performed, to determine if the work is being performed in a manner indicating that the work, when fully completed, would be in accordance with any contracts, and to insure the Building is appropriately and prudently maintained.

### **D. SPECIFIC PROPERTY MANAGEMENT AND MAINTENANCE SERVICES**

1) When maintenance requirements have been sufficiently identified and approved by the Association, Manager, through its Condo Manager, shall prepare a maintenance schedule that identifies milestone dates for decisions required of the Association and/or its unit owners, and services to be furnished by others.

2) Manager, through its Condo Manager, shall prepare and submit to the Association by November of each year proposed maintenance programs and schedules and a proposed annual budget to be used for the determination of assessments of common area expenses for the following fiscal year. The proposed budget shall include reasonable detail for each expected expense and shall show the pro rata share of expenses for each unit owner.

3) Manager, through its Condo Manager, shall make regular inspections of the general common elements and limited common elements serving more than one unit and provide written reports, with recommendations as required, to the Association.

4) Manager, through its Condo Manager or the Condo Manager's assistants, shall receive and document service requests relating to the common elements or limited common

elements from unit owners. Actions on the service requests shall be taken in a professional, timely and commercially reasonable manner.

5) Manager shall select, hire and supervise maintenance or other personnel authorized in the budgets, each of whom shall be employees or contractors of Manager. Due to the secured nature of the Building and the sensitive operations of the unit owners of Units 1 and 2, any employees of Manager, its contractors or subcontractors who will perform services on-site must have completed criminal background checks and have been approved by both Multnomah County Sheriffs Office and the Portland Police Bureau. Upon reasonable cause, the unit owners, through its representatives, may demand the immediate removal of any contractor, contractor's employee or subcontractor from the Building or any secured area.

6) The Association and its unit owners shall be provided with a contact name and telephone number for 24-hour, seven day a week emergency calls.

7) Manager, through its Condo Manager, shall manage the trash and recycle collection service for the Building. Recycle program goals are set at 50% and will be working towards 75% of total waste.

8) Manager, through its Condo Manager, shall manage the janitorial and maintenance services for general common elements and limited common elements serving more than one unit, including services and schedules noted on Exhibit A-1.

9) Manager shall maintain, clean and repair general common elements and limited common elements serving more than one unit including but not limited to:

1. Electrical service including main distribution through and up to each floor's distribution panel.
2. Heating, ventilating and air conditioning equipment including chillers, air handlers, floor distribution systems, VAV boxes, control air, thermostats and associated operating controls.
3. Plumbing including but not limited to domestic water supply and associated control and pressure equipment to each shut-off valve; main sewer/waste riser to branch connection for each floor, all grinder pumps and associated sewer equipment, all repair and cleanup of overflows related to main system backups.
4. Exterior Building elements including repair or replacement of building glass.
5. Building fire detection and protection systems serving the Building or common areas.
6. Building emergency power and equipment up to floor distribution panels.
7. Garage and associated equipment.
8. Shuttle elevator.

10) Manager shall bill the responsible party in the case of damage to common elements caused by vandalism and seek full reimbursement. For example, the County as unit owner shall be responsible for plumbing and or related damage caused by jail inmates, and Manager shall seek restitution or pursue claims against third party vandals.

END OF EXHIBIT A

## EXHIBIT A-1

### SERVICES TO GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS SERVING MORE THAN ONE UNIT

#### **I. MAINTENANCE AND REPAIRS**

Check exterior lamps; replace as needed.  
Check interior lamps; replace as needed  
Visually check fire system  
Check thermostats, if applicable  
Inspect and clean drains if needed  
inventory supplies, including janitorial supplies; order as needed  
Check clocks, adjust as needed  
Inspect hose bibs  
Inspect, adjust, lubricate door hardware  
Schedule inspection of fire extinguishers  
Advise Association on additional maintenance services that may be required, based on prudent industry standards.  
Preventative maintenance on all equipment/systems  
FLS systems maintenance  
Building emergency power generator maintenance and testing

#### **CLEANING QUALITY DEFINITIONS**

- A. Porcelain Ware Cleaning: Porcelain fixtures (washbasins, urinals, toilets, etc.) shall be clean and bright; there shall be no dust, spots, stains, rust, mold. (Fixtures which are not maintainable shall be documented by the Janitorial Contractor and submitted to the Manager).
- B. Servicing: All supply dispensers shall be filled. Waste receptacles shall be emptied and feminine hygiene receptacles emptied, cleaned, disinfected, and new bags inserted.
- C. Partition Spot Cleaning: Smudges, marks, or spots shall have been removed without causing unsightly discoloration.
- D. Thorough Dusting: There shall be no dust streaks. Corners, crevices, moldings, and ledges shall be free of all dust. There shall be no oils, spots, or smudges on dusted surfaces caused by dusting tools.
- E. Plastic and Wood Furniture: Furniture shall be cleaned, sanitized and polished to maintain sanitary appearance.
- F. Damp Mopping and Spray Dusting: Floors shall be free of streaks, mop strand marks, and skipped areas. Walls, baseboards, and other surfaces shall be free of splashing and markings from the equipment. The finished area should have a uniform appearance.
- G. Damp Wiping: All dirt, dust, water stains, spots, streaks, and smudges shall be removed from the surfaces.

- H. Floor Stripping: All old finish or wax shall have been removed. There shall be no evidence of gum, rust or scuff marks. There shall be no buildup in corners and crevices. Water solutions shall not be used on wood flooring.
- I. Solid Waste Collection: All solid wastes generated in the building shall be collected and removed to storage areas designated for trash and/or recycling by the custodians
- J. Cobwebs: There shall be no cobwebs visible in public and staff areas.
- K. Damp Wiping (Mirrors and Glass surfaces): Mirrors and Glass surfaces shall be clean and free of dirt, dust, streaks, and spots.
- L. Dusting: Railings, ledges, grilles, fire apparatus, doors, and radiators shall be dust-free. Cleared horizontal surfaces shall be free of dust.
- M. Display Cases: Glass covered table and wall type display cases shall be free of dirt, dust, streaks, and spots, inside and out.
- N. Vacuuming: Carpets, including edging and corners, shall be clean and free from dust, dirt, and other debris. All vacuum cleaners must be 90% plus dust free type.
- O. Telephone: Telephone receivers and cradles shall be clean and sanitized using disinfectant wipes.
- P. Carpet Spot Cleaning: Smudges, marks, gum, spills or spots shall have been removed without causing unsightly discoloration.
- Q. Waxing and Buffing: Walls, baseboards, and other surfaces shall be free of finish residue and marks from equipment. Floors shall be free of streaks, mop strand marks, and skipped areas. The finished area shall have a uniform appearance.
- R. Cleaning Wastebaskets: Wastebaskets shall be free of dust, debris, and residue, inside and out.
- S. Cleaning Wood Paneling: Paneling shall be free of dirt, dust, streaks, and spots.
- T. Finishing: Doors, walls, baseboards, and other surfaces shall be free of finish residue and marks from equipment. Floors shall be free of streaks, mop strand marks, and skipped areas. The finished area shall have a uniform appearance.
- U. Metal Polishing: Metal surfaces shall be free of smears, stains, and finger marks. They shall be clean and bright and polished to a uniform luster. Bright metal surfaces shall have a polished appearance.
- V. Glass Cleaning: All glass shall be clean and free of dirt, grime, handprints, dust, streaks, and spots.
- W. Cleaning Thresholds: Thresholds shall be clean and free of oil, grease, dirt, and grime.
- X. Damp Wiping (Marble Walls and Stone Wainscoting): Surfaces shall be clean and free

of handprints, smudges, dirt, dust, and spots.

- Y. Polishing: Kick plates, push plates, and push bars shall have a polished clean appearance.
- Z. Vacuuming Stairways: Landing and treads shall be free of loose dirt, dust, streaks, gum or other foreign substances.
- AA. Sweeping, Wet Mopping, or Scrubbing Stairway: Floors, steps, risers, and landings shall be clean and free of dirt, water streaks, mop marks, string, gum, grease, tar, etc., and present an overall appearance of cleanliness. All surfaces shall be dry and the corners clean.
- BB. Sweeping or Dust Mopping: All areas shall be clean and free of trash, debris, and foreign matter. No dirt shall be left in corners, crevices, behind radiators, under furniture, behind doors or where sweepings were picked up. Sweeping shall be picked up and disposed of and not swept outside.
- CC. Interior Elevator Surfaces: Wall surfaces shall be clean and free of marks, smudges, dirt, and dust. Floors shall be swept and mopped or carpets vacuumed and kept clean and free of spots and spills.
- DD. Cleaning (Elevator Floor Track): Floor tracks shall be clean and free of all foreign materials, dirt, and grime.
- EE. Upholstery Cleaning: All fabric furniture, partitions and benches shall be thoroughly vacuumed and spot cleaned to remove all loose dirt, gum and stains.
- FF. Sweeping (Freight Elevators): Floors shall be clean and free of dirt, trash, and foreign matter. No dirt shall be left in corners or crevices.
- GG. Cleaning Ash Receptacles: Cigarette butts, matches, and other discarded material shall be removed from the receptacle and wiped so that it is free of dust, ashes, odor, tar, and streaks. Replace sand as needed.
- HH. Cleaning Drinking Fountains: The porcelain, metal, stainless steel surfaces shall be clean and bright, and they shall be free of dust, spots, stains, and streaks. Drinking fountains shall be kept free of trash, and nozzles free from encrustation.
- II. Air Vents: Air vents shall be dusted and dampened wiped without removing vent. Vents include ceiling, wall, floor; supply exhaust and return.
- JJ. Cleaning (Outside Entrances, Sidewalks, Etc.): Areas shall be clean of all dirt, gum, trash, and spillage and present a neat appearance. Outside areas are to include from the doors of each facility to the street curb, all sidewalks and patio areas.
- KK. Cleaning (Public Telephone Booths): All vertical and horizontal surfaces, including both sides of glass, shall be clean and free of dirt, dust, streaks, and spots.
- LL. Shampooing (Entrance and Elevator Mats or Carpets): Mat or carpet shall be clean and



free of dirt, grime, stains, and excessive buildup of foreign material.

- MM. Venetian Blinds: Both sides of venetian blind slats shall be clean and free of dust and water spots. Cords and tapes shall be clean.
- NN. High Cleaning: Surfaces shall be clean and free of dust. Where glass is present, both sides shall be clean and free of streaks.
- OO. Wall, Door and Door frame Washing: Wall washing shall remove all soils, grease, and film. It can be done by hand or with a wall washing machine. Rest room walls shall be washed with a disinfectant cleaner.
- PP. Carpet Cleaning: Complete carpet cleaning other than spot cleaning) shall consist of hot water extraction method and or bonnet cleaning methods where applicable. Chair mats boxes, wastebaskets and small furniture should be moved and replaced as part of this process. The Janitorial Contractor shall provide air blowers and dehumidifiers as needed to aid in drying process.
- QQ. Ceramic Tile Floor and Non-Slip Finished Floor Care: All Ceramic tile floors and special non-slip surfaced floors, shall be brush scrubbed on a weekly basis in addition to nightly wet mopping and disinfecting.
- RR. Outside Window Cleaning: All outside windows are to be cleaned using standard industry practices. Observe all safety precautions and standards while performing window cleaning. Windows should be free of dirt, smudges, streaks and smears upon completion.
- SS. Non-Slip Abrasive Floor Cleaning: Requires weekly hand/machine scrub extraction. Nightly cleaning should be accomplished using tools which will work with abrasive surface.

END OF EXHIBIT A-1

## EXHIBIT B

### ASSOCIATION'S SERVICES

The Association shall assist Manager in carrying out its obligations under the Agreement by providing the following specific services:

1. Designate a staff person, if other than the Association's directors' designees, who shall be the Association's contact for Condo Manager.
2. Provide all available documentation to the Condo Manager that is pertinent to the work.
3. Process all necessary documentation and payment requests.
4. Provide meeting and project coordination as necessary.
5. The Association's unit owners shall retain the responsibility for tenant improvements and maintenance services within their respective units, as well as any limited common elements serving only their respective units or usually considered common elements but used exclusively by a unit owner. Common elements exclusively used by a unit owner include but are not limited to elevators numbered one (1) through four (4) serving the City of Portland Police Bureau, lobbies, halls and stairs on floors one (1) and eleven through sixteen (11 – 16) and the firing range.

END OF EXHIBIT B

## EXHIBIT C

### MANAGER'S COMPENSATION

A. Manager's overhead compensation shall be at a rate equal to the overhead cost rate billed by Multnomah County Facilities & Property Management Section to other Multnomah County facilities or County occupants, which is currently six percent (6%) for billed labor, materials and services. Manager, through its Condo Manager, shall advise the Association of any proposed overhead increases or decreases. Manager, through its Condo Manager, must present information pertaining to any proposed overhead increase for discussion during annual Association/Manager budget meeting. Overhead changes must be approved in writing and amended in this agreement. In no event shall Manager's overhead charge exceed ten percent (10%) of the amount for billed labor, materials and services. Overhead rate shall not be applied to pass through billings such as utilities from third party providers. The Association shall receive the benefits of any overhead decreases offered to other County facilities or occupants.

The Condo Manager's fee shall be billed monthly, along with the monthly billings under Exhibit D, and shall be based on the amounts billed for actual costs under Exhibit D multiplied by the applicable overhead compensation rate. The Condo Manager's fee will be set at the standard hourly rate for Condo Manager's classification. Manager shall provide notice of any increase to Condo Manager's fee (or hourly rate).

Additional services beyond the scope of the provisions of this Agreement shall be compensated for at the Condo Manager's standard hourly rates upon preapproval in writing by the Association contact(s).

Expenses such as Manager's administrative personnel costs, office space, mileage, printing and telephone service shall be included in the Manager's overhead percentage compensation.

Allocations of interests as for use in distribution of expenses are as follows based on First Amendment to Declaration for Justice Center dated July 12, 2000. These breakdowns are to be used for all common and limited common billings with the exception of utilities. The parties acknowledge that the County voluntarily assumed responsibility for the expenses of Unit 4.

Unit 1 County Unit	57.16%
Unit 2 City Unit	41.34%
Unit 3 no longer used	
Unit 4 Retail Unit 1	0.75%
Unit 5 County Unit	0.75%
<u>County Total (without Unit 4)</u>	57.91%
<u>County Total (with Unit 4)</u>	58.66%
<u>City Total</u>	41.34%

B. The County, as unit owner and Manager, acknowledges that due to the 24-hour operations of the Multnomah County corrections facilities at the Building, it is not equitable to all unit owners to apportion and pass through expenses for utilities based on the allocation of interests stated in the First Amendment to the Declaration. The Association and Manager agree to review the cost allocation related to utility expenses within six (6) months of the signing of this Agreement. Those parties will meet as frequently as necessary to accomplish the review of allocation of utility expenses. The focus of the review will be to determine a mutually agreed upon split of the utility expenses that is equitable and fair to all unit owners. It is hereby stipulated that the rates set for Unit 4 and Unit 5 are not at issue under this Section. Upon the preparation of the mutually agreed upon revised allocation pertaining to utility expenses, an amendment to this Agreement will be executed in a timely fashion by all parties and Manager will pass-through bill for utility expenses in accordance with that amended Agreement.

C. The parties agree to exercise good faith efforts to resolve the utility expenses allocation issue. If the parties are unable to resolve the issue, then the issue may be submitted to arbitration in accordance with ORS 36.300 et seq to be determined by an arbitrator acceptable to both the City and the County. Expenses associated with mediation will be bore by the Association and Manager equally.

END OF EXHIBIT C

## EXHIBIT D

### **BILLING AND PAYMENT PROCEDURE**

Manager, through its Condo Manager, shall submit to the Association and/or unit owner monthly bills for actual cost paid for services and utilities furnished and the expense of operating and capital improvement work performed by Manager, together with the Manager's fee as provided in Exhibit C, since the preceding billing date. The monthly bills shall show the total itemized cost of such services and utilities furnished and the expense of operating and capital improvement work furnished or performed by Manager and each unit owner's share of the total cost and expense.

Monthly bills are to be submitted within twenty one (21) days after the month in which such actual costs are paid and such expense incurred by Manager. Any such actual cost or expense which has inadvertently not been included within a monthly bill may be included in any subsequent monthly bill after such actual cost is paid or expense incurred by Manager. The bill shall set out the amount claimed by an itemized cost of materials, labor and services provided, and detailed information on contracts entered into on behalf of the Association.

Within thirty (30) days after receipt of the bill, the Association and/or responsible unit owner shall pay the amounts due to Manager.

In the event that the Association and/or unit owner disputes the bill submitted to it, the Association and/or unit owner shall notify the Condo Manager within thirty (30) days after receiving the bill or as soon as practicable upon discovery of discrepancy or dispute. The dispute shall be resolved by the Association Directors' or their designees and, if not resolved, then by arbitration in accordance with ORS 36.300 et seq. Subject to the provisions of this Exhibit D, payment of unpaid bills shall be enforced in accordance with the Declarations and Bylaws.

Any unit owner may request, and shall be provided by Condo Manager, not more than once in each fiscal year, all records, invoices and other data supporting the actual cost paid by Manager for services and utilities furnished and operating expense and capital improvement work for which the Association or requesting unit owner has been billed during any single fiscal year commencing July 1.

END OF EXHIBIT D