

March 24, 2009

A. Michael Sublett
 Multnomah County
 Department of County Management
 Facilities and Property Management Division
 401 N. Dixon St.
 Portland, OR 97227

**RE: Letter of Intent – Multnomah County Branch Library
 Cherry Park Market Center: Troutdale, Oregon**

Dear Mike:

It is with pleasure that we have come to an agreement for Cherry Park Market to be recommended by staff to the Multnomah County Board of Commissioners as the site for the Multnomah County Library's new Troutdale Branch. The purpose of this Letter of Intent is to set forth the basic terms under which Regency Centers is prepared to engage in formal Lease negotiations. It is intended that these terms will be presented to the Board for its consideration and to obtain authority to proceed with lease negotiations.

Tenant: Multnomah County, a political subdivision of the State of Oregon

Landlord: Regency Centers MCW-RC OR-Cherry Park, LLC, a Delaware limited liability company

Premises: Suites 42453, 42451, 42449, 42447, and a portion of 4B (see attached Exhibit A Floor Plan).

Square Feet: 6,000 SF

Schedule (approximate):

- 4/2/09: Letter of Intent Submitted for Board consideration
- 5/1/09: Lease Execution
- 7/1/09: Conditional Use Permit
- 10/1/09: Delivery of Premises to Tenant
- 3/1/10: Rent Commencement and Library Opening

Early Access: Provided all necessary insurance requirements have been met, Tenant shall be granted "early access" to the Premises at least twelve (12) weeks prior to occupancy, in order to install equipment, fixtures, furnishings, and data cabling. Early access shall be provided at no charge to Tenant and shall not trigger Lease commencement.

Initial Term: xOne Hundred Twenty (120) months from March 1, 2010, which shall also be the Rent Commencement date. The Lease obligation will become binding upon receipt without possibility of appeal of the Conditional Use Permit and all relevant approvals and entitlements.

Options to Extend: Three (3) Options to extend at the fixed rental rate indicated below.

Base Rent:	Years	Base Rent (Monthly)	Base Rent (PSF)	Base Rent (Annually)
Initial Term	1-2	\$6,000.00	\$12.00	\$72,000.00
	3-4	\$6,180.00	\$12.36	\$74,160.00
	5-6	\$6,365.40	\$12.73	\$76,384.80
	7-8	\$6,556.36	\$13.11	\$78,676.34
	9-10	\$6,753.05	\$13.51	\$81,036.63
Option Term 1	11-12	\$6,955.64	\$13.91	\$83,467.73

	13-14	\$7,164.31	\$14.33	\$85,971.77
	15	\$7,379.24	\$14.76	\$88,550.92
Option Term 2	16-17	\$7,600.62	\$15.20	\$91,207.45
	18-19	\$7,828.64	\$15.66	\$93,943.67
	20	\$8,064.90	\$16.13	\$96,778.80
Option Term 3	21-22	\$8,306.85	\$16.61	\$99,682.16
	23-24	\$8,556.05	\$17.11	\$102,672.63
	25	\$8,812.73	\$17.63	\$105,752.81

Landlord’s Duty to Maintain: Includes, but not limited to: Roof, Structure, foundations, exterior walls and demising walls with other tenant spaces Common Area, Utility Service to Premises (Water, Sanitary, Natural Gas, Electrical, Storm Drainage, Phone/Data conduit). Responsibilities shall be further-defined in Lease.

Tenant’s Duty to Maintain: Storefront signage, HVAC (pursuant to quarterly maintenance Agreement) and interior elements. All charges associated with Tenant’s Duty to Maintain shall be paid directly by Tenant. Responsibilities shall be further defined in Lease.

CAM and Insurance (Operating Expenses):

Upon Delivery, Tenant shall pay its full pro-rata share of operating expenses estimated at \$3.36/SF for the calendar year 2009 (CAM \$2.98, Insurance \$0.38). Operating expense methodology shall be further defined in the Lease. Estimated operating expenses shall be billed monthly, and reconciled in the first quarter of the following year. *For example, no later than April 1, 2010, invoices or credits for the balance due or owed will be issued to tenants for operating expenses charged in the calendar year 2009.*

Property Taxes:

Tenant is currently exempt from property taxes, but not special assessments. 2009 annual property taxes are estimated at \$1.24/SF. Landlord is not aware of any special assessments at this time, but shall verify prior to Lease execution.

Tenant Improvements:

Tenant will be responsible for its Tenant Improvements. Tenant will be responsible for constructing improvements of a quality consistent with other Tenant Multnomah County Library sites.

Landlord’s Work:

All permits, fees, demolition, and construction costs associated with the delivery of Premises in the condition required by the Tenant’s Project Criteria Exhibit B (herein “Landlord’s Work”) shall be born solely by Landlord in connection with its delivery of the Premises. In addition to the conditions in Exhibit B, Landlord shall provide the following:

- One ADA compliant van space with a ramp/curb cut as indicated on Exhibit A
- One dedicated loading zone space and curb cut as indicated on Exhibit A
- Two new, standard doors, double entrance and single delivery and a consistent storefront treatment and mullions
- A level, troweled-smooth pad
- Tele-data service to the space per tenant specifications to be provided.

Entitlements:

Tenant will require a Conditional Use Permit. All zoning and entitlement issues, including any supplemental exits, improvements or off-site work will be Landlord’s responsibility and expense with Tenant’s cooperation. Landlord has not identified any issues with this process, and shall diligently pursue to completion.

Environmental:

No known environmental issues are present at the site. Landlord has provided all environmental surveys performed to-date.

- Security Deposit:** None.
- Identity:** Storefront signage maximum allowable per Landlord's Sign Criteria and Code. Monument signage will be provided at shopping center entrance along NE 242nd and at shopping center entrance along SW Cherry Park Rd. No known structural or zoning limitations, pending Conditional Use Permit
- Building Ownership & Management:** Regency Centers (Landlord) to provide all management services.
- Representation:** The Tenant is self represented and will neither receive nor pay a broker's commission, finder's fee, or any related obligation.

The business terms and conditions outlined above are not an offer to Lease. Neither party will be bound by these terms and conditions until a Lease has been fully executed by both parties. When a Lease is signed, it will supersede and replace this summary in its entirety. Any proposed Lease negotiated between the parties will be subject to review of the County Attorney and will be not binding on the County unless approved by the Board and it is fully executed by both parties.

If you have any questions, please call me at (503) 603-4700. We look forward to a successful transaction.

REGENCY CENTERS

MULTNOMAH COUNTY



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