

ANNOTATED MINUTES

*Tuesday, March 31, 1992 - 9:00 AM
Multnomah County Courthouse, Room 602*

EXECUTIVE SESSION

- E-1 *The Multnomah County Board of Commissioners Will Meet in Executive Session to Discuss Real Property Transactions Pursuant to ORS 192.660(1)(e).*

EXECUTIVE SESSION HELD.

*Tuesday, March 31, 1992 - 10:00 AM
Multnomah County Courthouse, Room 602*

BOARD BRIEFING

- B-1 *Regionalization Committee Updates. Presented by Hank Miggins, Paul Yarborough and Merlin Reynolds.*

PAUL YARBOROUGH, DICK ENGSTROM AND DON CARLSON PRESENTATION AND RESPONSE TO BOARD QUESTIONS. MR. YARBOROUGH TO RETURN WITH SPECIFIC RECOMMENDATIONS FOR BOARD CONSIDERATION.

*Tuesday, March 31, 1992 - 11:00 AM
Multnomah County Courthouse, Room 602*

AGENDA REVIEW

- B-2 *Review of Agenda for Regular Meeting of April 2, 1992.*

R-3 STAFF RESPONDED TO COMMISSIONER ANDERSON'S SUGGESTION REGARDING DISPOSITION OF PROPOSED PHONE FUND SAVINGS.

R-8 BOARD SUGGESTED AMENDMENTS TO RESOLUTION.

*Tuesday, March 31, 1992 - 1:30 PM
Multnomah County Courthouse, Room 602*

BOARD BRIEFINGS

- B-3 *Board Discussion and Request for Policy Direction Regarding the Juvenile Justice Division's Application to Become a Participant in the House Bill 3438 Pilot Program. Presented by Harold Ogburn and Bill Morris.*

HAL OGBURN AND BILL MORRIS PRESENTATION AND RESPONSE TO BOARD QUESTIONS. MR. OGBURN DIRECTED TO PURSUE PRE-INTEREST APPLICATION AND RETURN TO BOARD IN JUNE.

B-4 Board Discussion and Request for Policy Direction Regarding Plan for the Youth Empowerment and Employment Coalition Demonstration Project, Including Budgetary Impact. Presented by Harold Ogburn and Lorenzo Poe.

MR. OGBURN AND LOLENZO POE DIRECTED TO PROCEED WITH PROJECT PLAN PREPARATIONS AND RETURN WHEN INTERGOVERNMENTAL AGREEMENTS ARE READY FOR BOARD CONSIDERATION.

Thursday, April 2, 1992 - 9:30 AM
Multnomah County Courthouse, Room 602

REGULAR MEETING

Chair Gladys McCoy convened the meeting at 9:30 a.m., with Vice-Chair Sharron Kelley, Commissioners Pauline Anderson and Gary Hansen present, and Commissioner Rick Bauman excused.

CHAIR McCOY INTRODUCED SHARMELLA WOODS OF PORTSMOUTH MIDDLE SCHOOL.

REGULAR AGENDA

NON-DEPARTMENTAL

R-9 RESOLUTION in the Matter of the Acquisition of ONE MAIN PLACE for County Purposes and Approval of Related Documents

R-10 RESOLUTION in the Matter of the Approving of the Issuance and Negotiated Sale of Approximately \$31,500,000 Series 1992A Certificates of Participation; Approving and Authorizing the Certificate Purchase Agreement, the Lease-Purchase and Escrow Agreement, and the Preliminary Official Statement and Official Statement; and Designating an Authorized Officer; and Authorizing the County to Proceed with Validation Process of Certificates of Participation Issue

UPON MOTION OF COMMISSIONER HANSEN, SECONDED BY COMMISSIONER ANDERSON, R-9 AND R-10 WERE UNANIMOUSLY REMOVED FROM THE AGENDA.

CONSENT CALENDAR

UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, THE CONSENT CALENDAR (ITEMS C-1 THROUGH C-4) WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF SOCIAL SERVICES

- C-1 *Ratification of Amendment No. 2 to the Intergovernmental Agreement Between Multnomah County, Developmental Disabilities Program Office and the City of Portland, Parks and Recreation, Providing Increased Work Activity Center Funds Due to the Transfer of Four Clients, for the Period March 1, 1992 to June 30, 1992*
- C-2 *Ratification of Amendment No. 3 to the Intergovernmental Agreement Between Multnomah County, Developmental Disabilities Program Office and Oregon Health Sciences University, Child Development and Rehabilitation Center, Providing Increased Early Intervention Services Funds Due to the Addition of One Client, for the Period February 1, 1992 to June 30, 1992*
- C-3 *Ratification of Amendment No. 4 to the Intergovernmental Agreement Between Multnomah County, Developmental Disabilities Program Office and Oregon Health Sciences University, Child Development and Rehabilitation Center, Providing Increased Work Activity Center Services Funds Due to the Transfer of One Client, for the Period March 1, 1992 to June 30, 1992*

JUSTICE SERVICES

SHERIFF'S OFFICE

- C-4 *In the Matter of a Package Store Liquor License Change of Ownership Application for the MINI MART EXPRESS Submitted by Sheriff's Office with Recommendation for Approval*

REGULAR AGENDA

NON-DEPARTMENTAL

MANAGEMENT SUPPORT

- R-1 *In the Matter of the Request to Ratify an Agreement Between Multnomah County and the Oregon Nurses Association Adding the Classification of Physician Assistant to the Oregon Nurses Association Bargaining Unit and Providing for the Wage Rates of Affected Employees*

UPON MOTION OF COMMISSIONER HANSEN, SECONDED BY COMMISSIONER KELLEY, R-1 WAS UNANIMOUSLY APPROVED.

DEPARTMENT OF SOCIAL SERVICES

- R-2 *ORDER Setting a Hearing Date in the Matter of the Request for Transfer of Tax Foreclosed Property Under the County Housing Affordability Demonstration Program*

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-2. CECILE PITTS EXPLANATION AND RESPONSE TO BOARD QUESTIONS. ORDER 92-43 SETTING HEARING DATE FOR THURSDAY, APRIL 16, 1992 UNANIMOUSLY APPROVED.

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-3 *Budget Modification DES #20 Authorizing Transfer of \$95,000 From Object Code 6140 to Object Code 8400 within the Information Services Division Telephone Fund Budget*

UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, R-3 WAS UNANIMOUSLY APPROVED.

NON-DEPARTMENTAL

- R-4 *First Reading of an ORDINANCE Adding New Chapter 8.75 to the Multnomah County Code in Order to Regulate Refuse Hauling, Dumping and Littering*

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER KELLEY MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF FIRST READING. ROBERT TRACHTENBERG AND COMMISSIONER KELLEY EXPLANATION. UPON MOTION OF COMMISSIONER KELLEY, SECONDED BY COMMISSIONER HANSEN, AMENDMENTS TO PAGES 2 AND 3 WERE UNANIMOUSLY APPROVED. BOARD COMMENTS. FIRST READING OF PROPOSED ORDINANCE, AS AMENDED, UNANIMOUSLY APPROVED. SECOND READING SCHEDULED FOR THURSDAY, APRIL 9, 1992.

- R-5 *First Reading of an ORDINANCE Amending Multnomah County Code Chapter 3.11, Relating to Charitable Fund Raising on County Premises, by Changing the Membership of the Campaign Management Council and the Certification Criteria*

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER ANDERSON MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF THE FIRST READING. BILL FARVER EXPLANATION. FIRST READING UNANIMOUSLY APPROVED. SECOND READING SCHEDULED FOR THURSDAY, APRIL 9, 1992.

- R-7 *RESOLUTION in the Matter of Revising Procedures to Manage Requests for Appropriation Transfers from the General Fund Contingency*

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-7. MR. FARVER EXPLANATION. RESOLUTION 92-44 UNANIMOUSLY APPROVED.

- R-8 *RESOLUTION in the Matter of the Regionalization of County Services*

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-8. BOARD DISCUSSION AND COMMENTS. UPON MOTION OF

COMMISSIONER HANSEN, SECONDED BY COMMISSIONER KELLEY, AMENDMENTS TO SECTIONS (2) AND (3) WERE UNANIMOUSLY APPROVED. RESOLUTION 92-45 UNANIMOUSLY APPROVED, AS AMENDED.

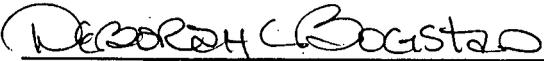
The Board recessed at 9:55 a.m., and reconvened at 10:05 a.m.

R-6 *PROCLAMATION in the Matter of Proclaiming April 5 - 11, 1992 as the WEEK OF THE YOUNG CHILD*

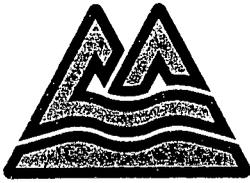
NANCY CHAPIN ADVISED OF SCHEDULED EVENTS AND ACTIVITIES AND READ PROCLAMATION. SONG PRESENTED BY GEM CHILD CARE PROGRAM CHILDREN. BOARD COMMENTS. UPON MOTION OF COMMISSIONER ANDERSON, SECONDED BY COMMISSIONER KELLEY, PROCLAMATION 92-46 WAS UNANIMOUSLY APPROVED.

There being no further business, the meeting was adjourned at 10:15 a.m.

**OFFICE OF THE BOARD CLERK
for MULTNOMAH COUNTY, OREGON**



Deborah L. Bogstad



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 606, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • CHAIR • 248-3308
PAULINE ANDERSON • DISTRICT 1 • 248-5220
GARY HANSEN • DISTRICT 2 • 248-5219
RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
CLERK'S OFFICE • 248-3277

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS FOR THE WEEK OF

MARCH 30 - APRIL 3, 1992

- Tuesday, March 31, 1992 - 9:00 AM - Executive Session. . . .Page 2
- Tuesday, March 31, 1992 - 10:00 AM - Board Briefing. . . .Page 2
- Tuesday, March 31, 1992 - 11:00 AM - Agenda ReviewPage 2
- Tuesday, March 31, 1992 - 1:30 PM - Board Briefings. . . .Page 2
- Thursday, April 2, 1992 - 9:30 AM - Regular Meeting. . . .Page 3

Thursday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:

- Thursday, 10:00 PM, Channel 11 for East and West side subscribers
- Friday, 6:00 PM, Channel 22 for Paragon Cable (Multnomah East) subscribers
- Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

Tuesday, March 31, 1992 - 9:00 AM

Multnomah County Courthouse, Room 602

EXECUTIVE SESSION

- E-1 The Multnomah County Board of Commissioners Will Meet in Executive Session to Discuss Real Property Transactions Pursuant to ORS 192.660(1)(e). 1 HOUR REQUESTED.
-

Tuesday, March 31, 1992 - 10:00 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFING

- B-1 Regionalization Committee Updates. Presented by Hank Miggins, Paul Yarborough and Merlin Reynolds. 1 HOUR REQUESTED.
-

Tuesday, March 31, 1992 - 11:00 AM

Multnomah County Courthouse, Room 602

AGENDA REVIEW

- B-2 Review of Agenda for Regular Meeting of April 2, 1992.
-

Tuesday, March 31, 1992 - 1:30 PM

Multnomah County Courthouse, Room 602

BOARD BRIEFINGS

- B-3 Board Discussion and Request for Policy Direction Regarding the Juvenile Justice Division's Application to Become a Participant in the House Bill 3438 Pilot Program. Presented by Harold Ogburn and Bill Morris. 30 MINUTES REQUESTED.
- B-4 Board Discussion and Request for Policy Direction Regarding Plan for the Youth Empowerment and Employment Coalition Demonstration Project, Including Budgetary Impact. Presented by Harold Ogburn and Lorenzo Poe. CONTINUED FROM MARCH 24, 1992. 30 MINUTES REQUESTED.
-

Thursday, April 2, 1992 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

DEPARTMENT OF SOCIAL SERVICES

- C-1 Ratification of Amendment No. 2 to the Intergovernmental Agreement Between Multnomah County, Developmental Disabilities Program Office and the City of Portland, Parks and Recreation, Providing Increased Work Activity Center Funds Due to the Transfer of Four Clients, for the Period March 1, 1992 to June 30, 1992
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JUSTICE SERVICES

SHERIFF'S OFFICE

- C-4 In the Matter of a Package Store Liquor License Change of Ownership Application for the MINI MART EXPRESS Submitted by Sheriff's Office with Recommendation for Approval

REGULAR AGENDA

NON-DEPARTMENTAL

MANAGEMENT SUPPORT

- R-1 In the Matter of the Request to Ratify an Agreement Between Multnomah County and the Oregon Nurses Association Adding the Classification of Physician Assistant to the Oregon Nurses Association Bargaining Unit and Providing for the Wage Rates of Affected Employees

DEPARTMENT OF SOCIAL SERVICES

- R-2 ORDER Setting a Hearing Date in the Matter of the Request for Transfer of Tax Foreclosed Property Under the County Housing Affordability Demonstration Program

DEPARTMENT OF ENVIRONMENTAL SERVICES

R-3 Budget Modification DES #20 Authorizing Transfer of \$95,000 From Object Code 6140 to Object Code 8400 within the Information Services Division Telephone Fund Budget. (CONTINUED FROM MARCH 26, 1992)

NON-DEPARTMENTAL

R-4 First Reading of an ORDINANCE Adding New Chapter 8.75 to the Multnomah County Code in Order to Regulate Refuse Hauling, Dumping and Littering

R-5 First Reading of an ORDINANCE Amending Multnomah County Code Chapter 3.11, Relating to Charitable Fund Raising on County Premises, by Changing the Membership of the Campaign Management Council and the Certification Criteria

R-6 PROCLAMATION in the Matter of Proclaiming April 5 - 11, 1992 as the WEEK OF THE YOUNG CHILD. 10:00 AM TIME CERTAIN REQUESTED.

R-7 RESOLUTION in the Matter of Revising Procedures to Manage Requests for Appropriation Transfers from the General Fund Contingency

R-8 RESOLUTION in the Matter of the Regionalization of County Services

R-9 RESOLUTION in the Matter of the Acquisition of ONE MAIN PLACE for County Purposes and Approval of Related Documents

R-10 RESOLUTION in the Matter of the Approving of the Issuance and Negotiated Sale of Approximately \$31,500,000 Series 1992A Certificates of Participation; Approving and Authorizing the Certificate Purchase Agreement, the Lease-Purchase and Escrow Agreement, and the Preliminary Official Statement and Official Statement; and Designating an Authorized Officer; and Authorizing the County to Proceed with Validation Process of Certificates of Participation Issue

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
1992-1993 BUDGET DELIBERATIONS SCHEDULE

The 1992-1993 Multnomah County budget deliberations will be held in Room 602 of the Multnomah County Courthouse, 1021 SW Fourth Avenue, Portland, with the exception of an evening hearing on Tuesday, April 14, 1992, which will be held in Multnomah County Sheriff's Office Auditorium, 12240 NE Glisan, Portland.

The public is invited to all sessions. Public testimony will be heard during public hearing sessions. Written testimony will be accepted at any session. Call the Office of the Board Clerk for further information, 248-3277 or 248-5222.

| | | |
|---------------------|---------------|--|
| Tuesday, April 7 | 9:30-10:00 AM | EXECUTIVE BUDGET MESSAGE |
| Wednesday, April 8 | 9:30-12:00 PM | <u>PUBLIC HEARING</u> SHERIFF |
| | 1:30-5:00 PM | <u>PUBLIC HEARING</u> COMMUNITY CORRECTIONS |
| Thursday, April 9 | 9:30-12:00 PM | <u>PUBLIC HEARING</u> DUNTHORPE-RIVERDALE SERVICE DIST. NO. 1 AND MID-COUNTY SERVICE DIST. NO. 14 |
| | 1:30-5:00 PM | <u>PUBLIC HEARING</u> ENVIRONMENTAL SERVICES |
| Friday, April 10 | 9:30-12:00 PM | <u>PUBLIC HEARING</u> SOCIAL SERVICES |
| | 1:30-5:00 PM | <u>PUBLIC HEARING</u> HEALTH |
| Monday, April 13 | 9:30-12:00 PM | <u>PUBLIC HEARING</u> DISTRICT ATTORNEY AND LIBRARY SERVICES |
| | 1:30-5:00 PM | <u>PUBLIC HEARING</u> NON-DEPARTMENTAL |
| Tuesday, April 14 | 7:00 PM | <u>PUBLIC HEARING</u> Sheriff's Office/Auditorium 12240 NE Glisan, Portland |
| Wednesday, April 15 | 7:00 PM | <u>PUBLIC HEARING</u> Multnomah County Courthouse 1021 SW Fourth, Room 602 |
| Friday, April 17 | 9:30-12:00 PM | WORK SESSION |
| | 1:30-5:00 PM | WORK SESSION |
| Monday, April 20 | 9:30-12:00 PM | WORK SESSION |
| | 1:30-5:00 PM | WORK SESSION |
| Wednesday, April 22 | 9:30-12:00 PM | WORK SESSION |
| | 1:30-5:00 PM | WORK SESSION |
| Thursday, April 23 | 9:30 AM | APPROVE BUDGET |
| Thursday, April 30 | 9:30 AM | APPROVE BUDGET (ALTERNATE DATE) |

Meeting Date: MAR 31 1992

Agenda No.: E-1

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: EXECUTIVE SESSION

BOARD BRIEFING: 3/31/92 REGULAR MEETING _____
(date) (date)

DEPARTMENT Nondepartmental DIVISION Chair's Office

CONTACT Hank Miggins TELEPHONE X-3308

PERSON(S) MAKING PRESENTATION _____

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: _____

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

BRIEF SUMMARY (include statement of rationale for action requested, as well as personnel and fiscal/budgetary impacts, if applicable):

Executive Session pursuant to ORS 192.660(1)(e) to discuss real property transactions

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL Gladys McCoy
OR

DEPARTMENT MANAGER _____

BOARD OF
COUNTY COMMISSIONERS
1992 MAR 23 AM 11:57
MULTNOMAH COUNTY
OREGON

(All accompanying documents must have required signatures)



MULTNOMAH COUNTY OREGON

| | | | | |
|------------------------------|---|----------------|--------------------|--|
| GLADYS MCCOY COUNTY CHAIR | EMPLOYEE SERVICES | (503) 248-5015 | (503) 248-5170 TDD | PORTLAND BUILDING 1120 S.W. FIFTH, 14TH FLOOR P.O. BOX 14700 PORTLAND, OREGON 97214 |
| | FINANCE | (503) 248-3312 | | |
| | LABOR RELATIONS | (503) 248-5135 | | |
| | PLANNING & BUDGET | (503) 248-3883 | | |
| | RISK MANAGEMENT | (503) 248-3797 | | |
| | PURCHASING, CONTRACTS & CENTRAL STORES | (503) 248-5111 | | 2505 S.E. 11TH, 1ST FLOOR PORTLAND, OREGON 97202 |

MEMORANDUM

TO: Board of County Commissioners

FROM: David Boyer
Finance Director

DATE: March 31, 1992

SUBJECT: One Main Place Financial Data

Financial Data Recap

| | | |
|--------------------------|---------------------|------------|
| 1. Purchase Price | \$25,200,000 | |
| Tenant Improvement | 2,100,000 | (estimate) |
| Issue Costs and discount | 700,000 | (estimate) |
| Reserve Funds * | <u>3,100,000</u> | (estimate) |
| | <u>\$31,100,000</u> | |

* Reserve fund is held in escrow for county as credit enhancement. Is not part of Purchase Costs.

- No additional general fund money would be needed to purchase building (approximately \$200 additional fund available to the County in FY 1992-93 and 1993-94 and \$700 in 1994-95).
- Estimated total savings to the County in future lease payments is \$4.9 million.
- Acquisition financed by sale of taxable COP's.

**Multnomah County, Oregon
One Main Place
Building Data**

Total rentable space.....309,241 sq feet
Current vacant space.....18,554 sq feet
Current vacancy rate.....6%
(Vacancy does not include lease space not being used)
Current lease revenue bldg. (includes expense escalations)....\$4,567,967
Current average space rental per sq foot.....\$16.15
Current parking spaces.....275
Current parking revenue.....\$439,000

COP Taxable issue (estimates)

| | |
|------------------------------|------------------|
| Purchase price..... | \$25,200,000 |
| Issue costs & discounts..... | 700,000 |
| Tennant Improvements..... | 2,100,000 |
| Reserve fund..... | <u>3,100,000</u> |
| | \$31,100,000 |

Annual debt payment (estimate).....\$3,200,000
Estimated interest rate (estimate).....9.00%

EXHIBIT I

1. Charging Commercial rate of \$15.50 per sq foot.
2. Charging County programs \$13.00 per sq foot.
3. Vacancy rate at 10% (non-County occupied space).
4. Lease increases 2% per year for Operations & Maintenance only. (Revenue)
5. Operations and Maintenance expenses increased 4%. (Expenses)

EXHIBIT II
(Current status of building)

1. Charging Commercial current rate of \$16.15 per sq foot.
2. Charging County programs \$13.00 per sq foot.
3. Vacancy rate at 6% (non-County occupied space).
4. Lease increases 2% per year for Operations & Maintenance only. (Revenue)
5. Operations and Maintenance expenses increased 4%. (Expenses)

EXHIBIT III

1. Represents (costs) or savings to other County funds.

EXHIBIT IV

1. Charging Commercial current rate of \$16.15 per sq foot.
2. Charging County programs \$13.00 per sq foot.
3. Vacancy rate at 10% (Non-County space).
4. Vacancy rate at 5% (County space).
5. Lease increases 2% per year for operations and maintenance.
6. Operation and maintenance expenses increases 4% (expenses).

Recommendation of Facilities Land Holding Task Force

MULTNOMAH COUNTY, OREGON
BUILDING FINANCIAL ANALYSIS (SUMMARY)
20 YEAR ISSUE
IN (000)

| | EXHIBIT I | EXHIBIT II | EXHIBIT IV |
|--------------------------------------|-----------------------|---------------------|-------------------|
| REVENUES: | | | |
| Commercial Space Rev | 50,252 | 54,687 | 52,850 |
| Commercial Parking Rev | 11,015 | 11,015 | 11,015 |
| Int Revenue | 984 | 5,690 | 2,766 |
| County Space Rev | 57,385 | 57,385 | 56,907 |
| County Parking Rev | 309 | 309 | 309 |
| COP Proceeds | 31,100 | 31,100 | 31,100 |
| Reserve Proceeds | 0 | 0 | 0 |
| Building Proceeds | 765 | 765 | 765 |
| Total Revenues | <u>151,811</u> | <u>160,951</u> | <u>155,712</u> |
| EXPENSES: | | | |
| Oper & Maint Buildg | 50,693 | 50,693 | 50,899 |
| COP Issue costs | 700 | 700 | 700 |
| Debt Service | 66,000 | 66,000 | 66,000 |
| Moving expenses | 1,000 | 1,000 | 1,000 |
| Major repairs/tenant imp | 5,900 | 5,900 | 5,900 |
| Building Purch | 25,200 | 25,200 | 25,200 |
| Deduct reserves | 0 | 0 | 0 |
| Total Expenses | <u>149,493</u> | <u>149,493</u> | <u>149,699</u> |
| Net Income (loss) | 2,318 | 11,458 | 6,013 |
| Deduct County Costs (EXHIBIT III) | <u>(6,560)</u> | <u>(6,560)</u> | <u>(5,762)</u> |
| NET TO COUNTY | <u><u>(4,242)</u></u> | <u><u>4,898</u></u> | <u><u>250</u></u> |

PREPARED BY: FINANCE DIVISION
31-Mar-92

EXHIBIT I
MULTNOMAH COUNTY, OREGON
ONE MAIN PLACE FINANCIAL ANALYSIS
BUILDING FUND

IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL |
|---------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|----------------|--------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | TOTAL |
| REVENUES: | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | 3,735 | 3,810 | 3,378 | 2,876 | 2,480 | 2,530 | 1,818 | 1,855 | 1,892 | 1,930 | 2,130 | 2,173 | 2,261 | 2,306 | 2,352 | 2,399 | 50,252 |
| Commercial Parking Rev | 427 | 436 | 444 | 453 | 462 | 472 | 481 | 491 | 501 | 511 | 564 | 575 | 598 | 610 | 622 | 635 | 11,015 |
| Int Revenue | 231 | 254 | 238 | 256 | 126 | 72 | 256 | 32 | 256 | 33 | (76) | (68) | (100) | (82) | (58) | (99) | 984 |
| County Space Rev | 540 | 556 | 1,045 | 1,602 | 2,061 | 2,102 | 2,861 | 2,918 | 2,977 | 3,036 | 3,352 | 3,419 | 3,558 | 3,629 | 3,701 | 3,775 | 57,385 |
| County Parking Rev | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 16 | 16 | 17 | 17 | 17 | 18 | 309 |
| COP Proceeds | 31,100 | | | | | | | | | | | | | | | | 31,100 |
| Building Proceeds | | 190 | | | | 375 | | | | | | | | | | | 765 |
| Total Revenues | 36,045 | 5,258 | 5,118 | 5,200 | 5,142 | 5,564 | 5,430 | 5,310 | 5,639 | 5,524 | 5,986 | 6,115 | 6,334 | 6,480 | 6,635 | 6,728 | 151,811 |
| EXPENSES: | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | 2,113 | 2,193 | 2,175 | 2,136 | 2,113 | 2,180 | 2,083 | 2,140 | 2,198 | 2,257 | 2,573 | 2,640 | 2,777 | 2,848 | 2,919 | 2,992 | 50,693 |
| COP Issue costs | 700 | | | | | | | | | | | | | | | | 700 |
| Debt Service | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | | 66,000 |
| Moving expenses | 200 | | 200 | 200 | 200 | | 200 | | | | | | | | | | 1,000 |
| Major repairs/tenant imp | 900 | | 300 | 300 | 300 | | 500 | | | 800 | | 1,000 | | | 1,000 | | 5,900 |
| Building Purch | 25,200 | | | | | | | | | | | | | | | | 25,200 |
| Total Expenses | 32,413 | 5,493 | 5,975 | 5,936 | 5,913 | 5,480 | 6,083 | 5,440 | 5,498 | 6,357 | 5,873 | 6,940 | 6,077 | 6,148 | 7,219 | 2,992 | 149,493 |
| Net Income (loss) | 3,631 | (236) | (857) | (737) | (771) | 84 | (653) | (130) | 141 | (833) | 113 | (824) | 257 | 333 | (585) | 3,736 | 2,318 |
| Beginning Fund equity | | 3,631 | 3,396 | 2,538 | 1,802 | 1,031 | 1,115 | 462 | 333 | 474 | (1,085) | (972) | (1,423) | (1,166) | (833) | (1,418) | |
| Ending Fund equity | 3,631 | 3,396 | 2,538 | 1,802 | 1,031 | 1,115 | 462 | 333 | 474 | (360) | (972) | (1,796) | (1,166) | (833) | (1,418) | 2,318 | 2,318 |

ASSUMPTIONS:

| Rental Space | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
|---------------------|-------|----------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|----------------|
| Commercial | 15.50 | 240,967 | 15.81 | 240,967 | 209,467 | 174,817 | 147,817 | 147,817 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 23.03 | 104,167 |
| County | 13.00 | 41,500 | 13.26 | 41,500 | 76,500 | 115,000 | 145,000 | 145,000 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 19.32 | 193,500 |
| Vacancy(non county) | 10.0% | 26,774 | | 26,774 | 23,274 | 19,424 | 16,424 | 16,424 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | | 11,574 |
| Total | | 309,241 | | 309,241 | | 309,241 |

| Parking Rev | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | |
|--------------|-------|------------|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------|------------|
| Commercial | 1,600 | 267 | 1,632 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 2,378 | 267 |
| County | 1,500 | 8 | 1,530 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 2,229 | 8 |
| Total | | 275 | | 275 | | 275 |

| | | | | | | | | | | | | | | | | |
|---------------------------|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Property taxes | 832 | 865 | 900 | 936 | 973 | 1,012 | 1,053 | 1,095 | 1,139 | 1,184 | 1,441 | 1,498 | 1,621 | 1,685 | 1,753 | 1,823 |
| Prop Tax County Reduction | 112 | 116 | 223 | 348 | 456 | 475 | 659 | 685 | 712 | 741 | 902 | 938 | 1,014 | 1,055 | 1,097 | 1,141 |

Lease Increases 2.00%

Expense Increases 4.00%

Prepared by: Finance Division

30-Mar-92

EXHIBIT II
MULTNOMAH COUNTY, OREGON
ONE MAIN PLACE FINANCIAL ANALYSIS
BUILDING FUND

IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL | |
|---------------------------|---------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | TOTAL | |
| REVENUES: | | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | 4,065 | 4,146 | 3,676 | 3,129 | 2,699 | 2,753 | 1,979 | 2,018 | 2,059 | 2,100 | 2,318 | 2,365 | 2,460 | 2,510 | 2,560 | 2,611 | 54,687 | |
| Commercial Parking Rev | 427 | 436 | 444 | 453 | 462 | 472 | 481 | 491 | 501 | 511 | 564 | 575 | 598 | 610 | 622 | 635 | 11,015 | |
| Int Revenue | 231 | 277 | 286 | 256 | 216 | 184 | 256 | 179 | 256 | 213 | 248 | 291 | 340 | 403 | 474 | 485 | 5,690 | |
| County Space Rev | 540 | 556 | 1,045 | 1,602 | 2,061 | 2,102 | 2,861 | 2,918 | 2,977 | 3,036 | 3,352 | 3,419 | 3,558 | 3,629 | 3,701 | 3,775 | 57,385 | |
| County Parking Rev | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 16 | 16 | 17 | 17 | 17 | 18 | 309 | |
| COP Proceeds | 31,100 | | | | | | | | | | | | | | | | 31,100 | |
| Building Proceeds | | 190 | | | | 375 | | | | | | | | | | | 765 | |
| Total Revenues | 36,374 | 5,617 | 5,464 | 5,453 | 5,451 | 5,899 | 5,590 | 5,620 | 5,806 | 5,874 | 6,498 | 6,667 | 6,973 | 7,168 | 7,375 | 7,524 | 160,951 | |
| EXPENSES: | | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | 2,113 | 2,193 | 2,175 | 2,136 | 2,113 | 2,180 | 2,083 | 2,140 | 2,198 | 2,257 | 2,573 | 2,640 | 2,777 | 2,848 | 2,919 | 2,992 | 50,693 | |
| COP Issue costs | 700 | | | | | | | | | | | | | | | | 700 | |
| Debt Service | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 66,000 | |
| Moving expenses | 200 | | 200 | 200 | 200 | | 200 | | | | | | | | | | 1,000 | |
| Major repairs/tenant imp | 900 | | 300 | 300 | 300 | | 500 | | | 800 | | 1,000 | | | 1,000 | | 5,900 | |
| Building Purch | 25,200 | | | | | | | | | | | | | | | | 25,200 | |
| Total Expenses | 32,413 | 5,493 | 5,975 | 5,936 | 5,913 | 5,480 | 6,083 | 5,440 | 5,498 | 6,357 | 5,873 | 6,940 | 6,077 | 6,148 | 7,219 | 2,992 | 149,493 | |
| Net Income (loss) | 3,961 | 123 | (511) | (483) | (462) | 419 | (492) | 180 | 308 | (483) | 625 | (273) | 896 | 1,020 | 155 | 4,531 | 11,458 | |
| Beginning Fund equity | | 3,961 | 4,084 | 3,574 | 3,091 | 2,629 | 3,048 | 2,556 | 2,736 | 3,044 | 3,537 | 4,162 | 4,855 | 5,751 | 6,771 | 6,927 | | |
| Ending Fund equity | 3,961 | 4,084 | 3,574 | 3,091 | 2,629 | 3,048 | 2,556 | 2,736 | 3,044 | 2,561 | 4,162 | 3,888 | 5,751 | 6,771 | 6,927 | 11,458 | 11,458 | |
| ASSUMPTIONS: | | | | | | | | | | | | | | | | | | |
| Rental Space | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
| Commercial | 16.15 | 251,677 | 16.47 | 251,677 | 218,777 | 182,587 | 154,387 | 154,387 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 24.00 | 108,797 |
| County | 13.00 | 41,500 | 13.26 | 41,500 | 76,500 | 115,000 | 145,000 | 145,000 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 19.32 | 193,500 |
| Vacancy(non county) | 6.0% | 16,064 | | 16,064 | 13,964 | 11,654 | 9,854 | 9,854 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | | 6,944 |
| Total | | 309,241 | | 309,241 | | 309,241 |
| Parking Rev | | | | | | | | | | | | | | | | | | |
| Commercial | 1,600 | 267 | 1,632 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 2,378 | 267 |
| County | 1,500 | 8 | 1,530 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 2,229 | 8 |
| Total | | 275 | | 275 | | 275 |
| Property taxes | | 832 | | 865 | 900 | 936 | 973 | 1,012 | 1,053 | 1,095 | 1,139 | 1,184 | 1,441 | 1,498 | 1,621 | 1,685 | 1,753 | 1,823 |
| Prop Tax County Reduction | | 112 | | 116 | 223 | 348 | 456 | 475 | 659 | 685 | 712 | 741 | 902 | 938 | 1,014 | 1,055 | 1,097 | 1,141 |
| Lease Increases | 2.00% | | | | | | | | | | | | | | | | | |
| Expense Increases | 4.00% | | | | | | | | | | | | | | | | | |

Prepared by: Finance Division
30-Mar-92

EXHIBIT III
MULTNOMAH COUNTY, OREGON
BUILDING FINANCIAL ANALYSIS
COUNTY SAVINGS (COSTS)
IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL |
|--------------------------------|------------|------------|------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | |
| COUNTY SAVINGS (COSTS): | | | | | | | | | | | | | | | | | |
| O & M Kelly Bldg (ISD) | | | 280 | 291 | 303 | 315 | 328 | 341 | 354 | 368 | 448 | 466 | 504 | 524 | 545 | 567 | 7,748 |
| DA Lease | | | 30 | 31 | 32 | 34 | 35 | 36 | 38 | 39 | 48 | 50 | 54 | 56 | 58 | 61 | 830 |
| Portland Bldg Lease | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | | | | | 5,728 |
| Portland Bldg O&M | 252 | 262 | 273 | 283 | 295 | 307 | 319 | 332 | 345 | 359 | 436 | 454 | 491 | 511 | 531 | 552 | 8,056 |
| Portland Bldg Parking | 10 | 10 | 11 | 11 | 12 | 12 | 13 | 13 | 14 | 14 | 17 | 18 | 19 | 20 | 21 | 22 | 320 |
| Mead Bldg Lease | 50 | 50 | 50 | 50 | 50 | 50 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | | | | 5,784 |
| Mead Bldg O & M | | | | | | | 311 | 323 | 336 | 350 | 426 | 443 | 479 | 498 | 518 | 539 | 6,227 |
| Morrison Bldg O & M | | | | | | | 20 | 21 | 22 | 22 | 27 | 28 | 31 | 32 | 33 | 35 | 400 |
| Ford Buildg O & M | | | 10 | 10 | 11 | 11 | 12 | 12 | 13 | 13 | 16 | 17 | 18 | 19 | 19 | 20 | 277 |
| Fleet Savings,Mail Dist | 60 | 62 | 95 | 99 | 103 | 107 | 111 | 116 | 120 | 125 | 152 | 158 | 171 | 178 | 185 | 192 | 2,751 |
| Data processing Savings | 40 | 42 | 200 | 208 | 216 | 225 | 234 | 243 | 253 | 263 | 320 | 333 | 360 | 375 | 390 | 405 | 5,616 |
| A & T Lease | | | | 300 | 312 | 324 | 337 | 351 | 361 | 372 | 456 | 492 | 522 | 538 | 554 | 592 | 7,717 |
| (less) Lease charges | (540) | (556) | (567) | (1,602) | (2,061) | (2,102) | (2,861) | (2,918) | (2,977) | (3,036) | (3,352) | (3,419) | (3,558) | (3,629) | (3,701) | (3,775) | (56,907) |
| (less) Parkin. Charges | (12) | (12) | (12) | (13) | (13) | (13) | (14) | (14) | (14) | (14) | (16) | (16) | (17) | (17) | (17) | (18) | (309) |
| Total Savings (Costs) | 219 | 216 | 727 | 27 | (382) | (372) | (340) | (329) | (320) | (309) | (205) | (161) | (468) | (896) | (864) | (808) | (5,762) |

Lease Increases 2.00%

Expense Increases 4.00%

PREPARED BY: FINANCE DIVISION

31-Mar-92

EXHIBIT IV
MULTNOMAH COUNTY, OREGON
BUILDING FINANCIAL ANALYSIS
20 YEAR ISSUE
IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL |
|--------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | TOTAL |
| REVENUES: | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | 3,861 | 3,939 | 4,017 | 3,006 | 2,597 | 2,649 | 1,912 | 1,932 | 1,971 | 2,010 | 2,220 | 2,264 | 2,356 | 2,403 | 2,451 | 2,500 | 52,850 |
| Commercial Parking Rev | 427 | 436 | 444 | 453 | 462 | 472 | 481 | 491 | 501 | 511 | 564 | 575 | 598 | 610 | 622 | 635 | 11,015 |
| Int Revenue | 256 | 246 | 238 | 256 | 147 | 105 | 256 | 84 | 256 | 98 | 51 | 72 | 73 | 106 | 146 | 127 | 2,766 |
| County Space Rev | 540 | 556 | 567 | 1,602 | 2,061 | 2,102 | 2,861 | 2,918 | 2,977 | 3,036 | 3,352 | 3,419 | 3,558 | 3,629 | 3,701 | 3,775 | 56,907 |
| County Parking Rev | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 16 | 16 | 17 | 17 | 17 | 18 | 309 |
| COP Proceeds | 31,100 | | | | | | | | | | | | | | | | 31,100 |
| Building Proceeds | | 190 | | | | 375 | | | | | | | | | | | 765 |
| Total Revenues | 36,196 | 5,378 | 5,280 | 5,330 | 5,280 | 5,716 | 5,524 | 5,439 | 5,718 | 5,669 | 6,202 | 6,346 | 6,601 | 6,765 | 6,938 | 7,055 | 155,712 |
| EXPENSES: | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | 2,113 | 2,193 | 2,277 | 2,140 | 2,118 | 2,184 | 2,087 | 2,144 | 2,203 | 2,262 | 2,579 | 2,646 | 2,784 | 2,855 | 2,927 | 3,000 | 50,899 |
| COP Issue costs | 700 | | | | | | | | | | | | | | | | 700 |
| Debt Service | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 66,000 |
| Moving expenses | 200 | | 200 | 200 | 200 | | 200 | | | | | | | | | | 1,000 |
| Major repairs/tenant imp | 900 | | 300 | 300 | 300 | | 500 | | | 800 | | 1,000 | | | 1,000 | | 5,900 |
| Building Purch | 25,200 | | | | | | | | | | | | | | | | 25,200 |
| Total Expenses | 32,413 | 5,493 | 6,077 | 5,940 | 5,918 | 5,484 | 6,087 | 5,444 | 5,503 | 6,362 | 5,879 | 6,946 | 6,084 | 6,155 | 7,227 | 3,000 | 149,699 |
| Net Income (loss) | 3,783 | (115) | (797) | (610) | (638) | 232 | (564) | (5) | 215 | (693) | 323 | (600) | 517 | 610 | (289) | 4,055 | 6,013 |
| Beginning Fund equity | | 3,783 | 3,667 | 2,871 | 2,261 | 1,623 | 1,855 | 1,291 | 1,286 | 1,502 | 779 | 1,102 | 1,120 | 1,637 | 2,247 | 1,958 | |
| Ending Fund equity | 3,783 | 3,667 | 2,871 | 2,261 | 1,623 | 1,855 | 1,291 | 1,286 | 1,502 | 808 | 1,102 | 502 | 1,637 | 2,247 | 1,958 | 6,013 | 6,013 |

ASSUMPTIONS:

| Rental Space | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
|---------------------|-------|----------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|----------------|
| Commercial | 16.15 | 239,099 | 16.47 | 239,099 | 239,099 | 175,392 | 148,542 | 148,542 | 105,134 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 24.00 | 104,167 |
| County | 13.00 | 41,500 | 13.26 | 41,500 | 41,500 | 115,000 | 145,000 | 145,000 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 19.32 | 193,500 |
| Vacancy(non county) | 10.0% | 26,567 | | 26,567 | 26,567 | 18,849 | 15,699 | 15,699 | 10,607 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | | 11,574 |
| Vacancy(county) | 5.0% | 2,075 | | 2,075 | 2,075 | 5,750 | 7,250 | 7,250 | 9,675 | | | | | | | | | |
| Total | | 309,241 | | 309,241 | | 309,241 |

| Parking Rev | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
|--------------|-------|------------|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------|------------|
| Commercial | 1,600 | 267 | 1,632 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 2,378 | 267 |
| County | 1,500 | 8 | 1,530 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 2,229 | 8 |
| Total | | 275 | | 275 | | 275 |

| | | | | | | | | | | | | | | | | | |
|---------------------------|-------|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| Property taxes | 832 | 865 | 900 | 936 | 973 | 1,012 | 1,053 | 1,095 | 1,139 | 1,184 | 1,441 | 1,498 | 1,621 | 1,685 | 1,753 | 1,823 | |
| Prop Tax County Reduction | 112 | 116 | 121 | 348 | 456 | 475 | 659 | 685 | 712 | 741 | 902 | 938 | 1,014 | 1,055 | 1,097 | 1,141 | |
| Lease Increases | 2.00% | | | | | | | | | | | | | | | | |
| Expense Increases | 4.00% | | | | | | | | | | | | | | | | |

Prepared by: Finance Division
31-Mar-92

Multnomah County, Oregon
Building Data

Total rentable space.....309,241 sq feet
 Current vacant space.....18,554 sq feet
 Current vacancy rate.....6%
 (Vacancy does not include lease space not being used)
 Current lease revenue bldg. (includes expense escalations)....\$4,567,967
 Current average space rental per sq foot.....\$16.15
 Current parking spaces.....275
 Current parking revenue.....\$439,000

COP Taxable issue (estimates)
 Purchase price..... \$25,200,000
 Issue costs & discounts..... 700,000
 Tennant Improvements..... 2,100,000
 Reserve fund..... 3,100,000
 \$31,100,000

Annual debt payment (estimate).....\$3,200,000
 Estimated interest rate (estimate).....9.00%

EXHIBIT I

1. Charging Commercial rate of \$15.50 per sq foot.
2. Charging County programs \$13.00 per sq foot.
3. Vacancy rate at 10% (non-County occupied space).
4. Lease increases 2% per year for Operations & Maintenance only. (Revenue)
5. Operations and Maintenance expenses increased 4%. (Expenses)

BOARD OF
 COUNTY COMMISSIONERS
 1992 MAR 30 PM 1:07
 MULTNOMAH COUNTY
 OREGON

EXHIBIT II
(Current status of building)

1. Charging Commercial current rate of \$16.15 per sq foot.
2. Charging County programs \$13.00 per sq foot.
3. Vacancy rate at 6% (non-County occupied space).
4. Lease increases 2% per year for Operations & Maintenance only. (Revenue)
5. Operations and Maintenance expenses increased 4%. (Expenses)

EXHIBIT III

1. Represents (costs) or savings to other County funds.

MULTNOMAH COUNTY, OREGON
 BUILDING FINANCIAL ANALYSIS
 SUMMARY
 IN (000)

| | EXHIBIT I | EXHIBIT II |
|--------------------------------------|-----------------------|---------------------|
| REVENUES: | | |
| Commercial Space Rev | 50,252 | 54,687 |
| Commercial Parking Rev | 11,015 | 11,015 |
| Int Revenue | 984 | 5,690 |
| County Space Rev | 57,385 | 57,385 |
| County Parking Rev | 309 | 309 |
| COP Proceeds | 31,100 | 31,100 |
| Reserve Proceeds | 0 | 0 |
| Building Proceeds | 765 | 765 |
| Total Revenues | <u>151,811</u> | <u>160,951</u> |
| EXPENSES: | | |
| Oper & Maint Buildg | 50,693 | 50,693 |
| COP Issue costs | 700 | 700 |
| Debt Service | 66,000 | 66,000 |
| Moving expenses | 1,000 | 1,000 |
| Major repairs/tenant imp | 5,900 | 5,900 |
| Building Purch | 25,200 | 25,200 |
| Deduct reserves | 0 | 0 |
| Total Expenses | <u>149,493</u> | <u>149,493</u> |
| Net Income (loss) | 2,318 | 11,458 |
| Deduct County Costs (EXHIBIT III) | <u>(6,560)</u> | <u>(6,560)</u> |
| NET TO COUNTY | <u><u>(4,242)</u></u> | <u><u>4,898</u></u> |

PREPARED BY: FINANCE DIVISION

30-Mar-92

EXHIBIT I
MULTNOMAH COUNTY, OREGON
ONE MAIN PLACE FINANCIAL ANALYSIS
BUILDING FUND
IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL | |
|---------------------------|---------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | | |
| REVENUES: | | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | 3,735 | 3,810 | 3,378 | 2,876 | 2,480 | 2,530 | 1,818 | 1,855 | 1,892 | 1,930 | 2,130 | 2,173 | 2,261 | 2,306 | 2,352 | 2,399 | 50,252 | |
| Commercial Parking Rev | 427 | 436 | 444 | 453 | 462 | 472 | 481 | 491 | 501 | 511 | 564 | 575 | 598 | 610 | 622 | 635 | 11,015 | |
| Int Revenue | 231 | 254 | 238 | 256 | 126 | 72 | 256 | 32 | 256 | 33 | (76) | (68) | (100) | (82) | (58) | (99) | 984 | |
| County Space Rev | 540 | 556 | 1,045 | 1,602 | 2,061 | 2,102 | 2,861 | 2,918 | 2,977 | 3,036 | 3,352 | 3,419 | 3,558 | 3,629 | 3,701 | 3,775 | 57,385 | |
| County Parking Rev | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 16 | 16 | 17 | 17 | 17 | 18 | 309 | |
| COP Proceeds | 31,100 | | | | | | | | | | | | | | | | 31,100 | |
| Building Proceeds | | 190 | | | | 375 | | | | | | | | | | | 765 | |
| Total Revenues | 36,045 | 5,258 | 5,118 | 5,200 | 5,142 | 5,564 | 5,430 | 5,310 | 5,639 | 5,524 | 5,986 | 6,115 | 6,334 | 6,480 | 6,635 | 6,728 | 151,811 | |
| EXPENSES: | | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | 2,113 | 2,193 | 2,175 | 2,136 | 2,113 | 2,180 | 2,083 | 2,140 | 2,198 | 2,257 | 2,573 | 2,640 | 2,777 | 2,848 | 2,919 | 2,992 | 50,693 | |
| COP Issue costs | 700 | | | | | | | | | | | | | | | | 700 | |
| Debt Service | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 66,000 | |
| Moving expenses | 200 | | 200 | 200 | 200 | | 200 | | | | | | | | | | 1,000 | |
| Major repairs/tenant imp | 900 | | 300 | 300 | 300 | | 500 | | | 800 | | 1,000 | | | 1,000 | | 5,900 | |
| Building Purch | 25,200 | | | | | | | | | | | | | | | | 25,200 | |
| Total Expenses | 32,413 | 5,493 | 5,975 | 5,936 | 5,913 | 5,480 | 6,083 | 5,440 | 5,498 | 6,357 | 5,873 | 6,940 | 6,077 | 6,148 | 7,219 | 2,992 | 149,493 | |
| Net Income (loss) | 3,631 | (236) | (857) | (737) | (771) | 84 | (653) | (130) | 141 | (833) | 113 | (824) | 257 | 333 | (585) | 3,736 | 2,318 | |
| Beginning Fund equity | | 3,631 | 3,396 | 2,538 | 1,802 | 1,031 | 1,115 | 462 | 333 | 474 | (1,085) | (972) | (1,423) | (1,166) | (833) | (1,418) | | |
| Ending Fund equity | 3,631 | 3,396 | 2,538 | 1,802 | 1,031 | 1,115 | 462 | 333 | 474 | (360) | (972) | (1,796) | (1,166) | (833) | (1,418) | 2,318 | 2,318 | |
| ASSUMPTIONS: | | | | | | | | | | | | | | | | | | |
| Rental Space | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
| Commercial | 15.50 | 240,967 | 15.81 | 240,967 | 209,467 | 174,817 | 147,817 | 147,817 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 104,167 | 23.03 | 104,167 |
| County | 13.00 | 41,500 | 13.26 | 41,500 | 76,500 | 115,000 | 145,000 | 145,000 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 19.32 | 193,500 |
| Vacancy(non county) | 10.0% | 26,774 | | 26,774 | 23,274 | 19,424 | 16,424 | 16,424 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | 11,574 | | 11,574 |
| Total | | 309,241 | | 309,241 | | 309,241 |
| Parking Rev | | | | | | | | | | | | | | | | | | |
| Commercial | 1,600 | 267 | 1,632 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 2,378 | 267 |
| County | 1,500 | 8 | 1,530 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 2,229 | 8 |
| Total | | 275 | | 275 | | 275 |
| Property taxes | | 832 | | 865 | 900 | 936 | 973 | 1,012 | 1,053 | 1,095 | 1,139 | 1,184 | 1,441 | 1,498 | 1,621 | 1,685 | 1,753 | 1,823 |
| Prop Tax County Reduction | | 112 | | 116 | 223 | 348 | 456 | 475 | 659 | 685 | 712 | 741 | 902 | 938 | 1,014 | 1,055 | 1,097 | 1,141 |
| Lease Increases | 2.00% | | | | | | | | | | | | | | | | | |
| Expense Increases | 4.00% | | | | | | | | | | | | | | | | | |

Prepared by: Finance Division
30-Mar-92

EXHIBIT II
MULTNOMAH COUNTY, OREGON
ONE MAIN PLACE FINANCIAL ANALYSIS
BUILDING FUND
IN (000)

| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL |
|--------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | TOTAL |
| REVENUES: | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | 4,065 | 4,146 | 3,676 | 3,129 | 2,699 | 2,753 | 1,979 | 2,018 | 2,059 | 2,100 | 2,318 | 2,365 | 2,460 | 2,510 | 2,560 | 2,611 | 54,687 |
| Commercial Parking Rev | 427 | 436 | 444 | 453 | 462 | 472 | 481 | 491 | 501 | 511 | 564 | 575 | 598 | 610 | 622 | 635 | 11,015 |
| Int Revenue | 231 | 277 | 286 | 256 | 216 | 184 | 256 | 179 | 256 | 213 | 248 | 291 | 340 | 403 | 474 | 485 | 5,690 |
| County Space Rev | 540 | 556 | 1,045 | 1,602 | 2,061 | 2,102 | 2,861 | 2,918 | 2,977 | 3,036 | 3,352 | 3,419 | 3,558 | 3,629 | 3,701 | 3,775 | 57,385 |
| County Parking Rev | 12 | 12 | 12 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 16 | 16 | 17 | 17 | 17 | 18 | 309 |
| COP Proceeds | 31,100 | | | | | | | | | | | | | | | | 31,100 |
| Building Proceeds | | 190 | | | | 375 | | | | | | | | | | | 765 |
| Total Revenues | 36,374 | 5,617 | 5,464 | 5,453 | 5,451 | 5,899 | 5,590 | 5,620 | 5,806 | 5,874 | 6,498 | 6,667 | 6,973 | 7,168 | 7,375 | 7,524 | 160,951 |
| EXPENSES: | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | 2,113 | 2,193 | 2,175 | 2,136 | 2,113 | 2,180 | 2,083 | 2,140 | 2,198 | 2,257 | 2,573 | 2,640 | 2,777 | 2,848 | 2,919 | 2,992 | 50,693 |
| COP Issue costs | 700 | | | | | | | | | | | | | | | | 700 |
| Debt Service | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | | 66,000 |
| Moving expenses | 200 | | 200 | 200 | 200 | | 200 | | | | | | | | | | 1,000 |
| Major repairs/tenant imp | 900 | | 300 | 300 | 300 | | 500 | | | 800 | | 1,000 | | | 1,000 | | 5,900 |
| Building Purch | 25,200 | | | | | | | | | | | | | | | | 25,200 |
| Total Expenses | 32,413 | 5,493 | 5,975 | 5,936 | 5,913 | 5,480 | 6,083 | 5,440 | 5,498 | 6,357 | 5,873 | 6,940 | 6,077 | 6,148 | 7,219 | 2,992 | 149,493 |
| Net Income (loss) | 3,961 | 123 | (511) | (483) | (462) | 419 | (492) | 180 | 308 | (483) | 625 | (273) | 896 | 1,020 | 155 | 4,531 | 11,458 |
| Beginning Fund equity | | 3,961 | 4,084 | 3,574 | 3,091 | 2,629 | 3,048 | 2,556 | 2,736 | 3,044 | 3,537 | 4,162 | 4,855 | 5,751 | 6,771 | 6,927 | |
| Ending Fund equity | 3,961 | 4,084 | 3,574 | 3,091 | 2,629 | 3,048 | 2,556 | 2,736 | 3,044 | 2,561 | 4,162 | 3,888 | 5,751 | 6,771 | 6,927 | 11,458 | 11,458 |

ASSUMPTIONS:

| Rental Space | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | Rate | SQ Foot | |
|---------------------|-------|----------------|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|---------|----------------|
| Commercial | 16.15 | 251,677 | 16.47 | 251,677 | 218,777 | 182,587 | 154,387 | 154,387 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 108,797 | 24.00 | 108,797 |
| County | 13.00 | 41,500 | 13.26 | 41,500 | 76,500 | 115,000 | 145,000 | 145,000 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 193,500 | 19.32 | 193,500 |
| Vacancy(non county) | 6.0% | 16,064 | | 16,064 | 13,964 | 11,654 | 9,854 | 9,854 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | 6,944 | | | 6,944 |
| Total | | 309,241 | | 309,241 | | | 309,241 |

| | | | | | | | | | | | | | | | | | | |
|--------------------|-------|------------|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------|------------|
| Parking Rev | | | | | | | | | | | | | | | | | | |
| Commercial | 1,600 | 267 | 1,632 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 2,378 | 267 |
| County | 1,500 | 8 | 1,530 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 2,229 | 8 |
| Total | | 275 | | 275 | | 275 |

| | | | | | | | | | | | | | | | | | |
|---------------------------|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|-------|
| Property taxes | 832 | 865 | 900 | 936 | 973 | 1,012 | 1,053 | 1,095 | 1,139 | 1,184 | 1,441 | 1,498 | 1,621 | 1,685 | 1,753 | | 1,823 |
| Prop Tax County Reduction | 112 | 116 | 223 | 348 | 456 | 475 | 659 | 685 | 712 | 741 | 902 | 938 | 1,014 | 1,055 | 1,097 | | 1,141 |

Lease Increases 2.00%

Expense Increases 4.00%

Prepared by: Finance Division

30-Mar-92

EXHIBIT III
MULTNOMAH COUNTY, OREGON
GENERAL AND OTHER COUNTY FUNDS FINANCIAL IMPACT
COUNTY SAVINGS (COSTS)
IN (000)

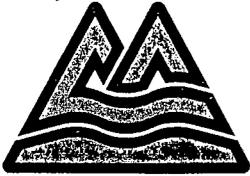
| Year # | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 15 | 16 | 18 | 19 | 20 | 21 | TOTAL |
|--------------------------------|------------|------------|------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Fiscal Year | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2007 | 2008 | 2010 | 2011 | 2012 | 2013 | |
| COUNTY SAVINGS (COSTS): | | | | | | | | | | | | | | | | | |
| O & M Kelly Bldg (ISD) | | | 280 | 291 | 303 | 315 | 328 | 341 | 354 | 368 | 448 | 466 | 504 | 524 | 545 | 567 | 7,748 |
| DA Lease | | | 30 | 31 | 32 | 34 | 35 | 36 | 38 | 39 | 48 | 50 | 54 | 56 | 58 | 61 | 830 |
| Portland Bldg Lease | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | | | | | 5,728 |
| Portland Bldg O&M | 252 | 262 | 273 | 283 | 295 | 307 | 319 | 332 | 345 | 359 | 436 | 454 | 491 | 511 | 531 | 552 | 8,056 |
| Mead Bldg Lease | 50 | 50 | 50 | 50 | 50 | 50 | 457 | 457 | 457 | 457 | 457 | 457 | 457 | | | | 5,784 |
| Mead Bldg O & M | | | | | | | 311 | 323 | 336 | 350 | 426 | 443 | 479 | 498 | 518 | 539 | 6,227 |
| Morrison Bldg O & M | | | | | | | 20 | 21 | 22 | 22 | 27 | 28 | 31 | 32 | 33 | 35 | 400 |
| Ford Buildg O & M | | | 10 | 10 | 11 | 11 | 12 | 12 | 13 | 13 | 16 | 17 | 18 | 19 | 19 | 20 | 277 |
| Fleet Savings, Mail Dist | 60 | 62 | 95 | 99 | 103 | 107 | 111 | 116 | 120 | 125 | 152 | 158 | 171 | 178 | 185 | 192 | 2,751 |
| Data processing Savings | 40 | 42 | 200 | 208 | 216 | 225 | 234 | 243 | 253 | 263 | 320 | 333 | 360 | 375 | 390 | 405 | 5,616 |
| A & T Lease | | | | 300 | 312 | 324 | 337 | 351 | 361 | 372 | 456 | 492 | 522 | 538 | 554 | 592 | 7,717 |
| (less) Lease charges | (540) | (556) | (1,045) | (1,602) | (2,061) | (2,102) | (2,861) | (2,918) | (2,977) | (3,036) | (3,352) | (3,419) | (3,558) | (3,629) | (3,701) | (3,775) | (57,385) |
| (less) Parking Charges | (12) | (12) | (12) | (13) | (13) | (13) | (14) | (14) | (14) | (14) | (16) | (16) | (17) | (17) | (17) | (18) | (309) |
| Total Savings (Costs) | 209 | 206 | 238 | 16 | (394) | (384) | (353) | (342) | (333) | (323) | (223) | (179) | (487) | (916) | (885) | (829) | (6,560) |

Lease Increases 2.00%
Expense Increases 4.00%

PREPARED BY: FINANCE DIVISION
30-Mar-92

TOP 25 AREA OFFICE BUILDINGS

| Ranked by net rentable area | | | Net rentable area (square feet) | Number of floors | Leasing agent | Rent per square foot | Percentage occupancy | Tenants | Building owner | Architect | Year built |
|-----------------------------|----------------|---|---------------------------------|------------------|--|------------------------------------|----------------------|---|---|---|------------|
| Rank | Rank last year | Name/address | | | | | | | | | |
| 1. | 1. | U.S. Bancorp Tower 111 S.W. Fifth Ave. Portland, Ore. 97204 | 752,000 | 42 | Cushman & Wakefield Inc./ Dave Gilley, Mike Holzgang/ (503) 279-1700 | \$18 to \$25 | 95% | U.S. Bancorp, Louisiana-Pacific Corp., Miller Nash Wiener Hager & Carlsen | U.S. Bancorp/ Portland | Skidmore Owings & Merrill | 1983 |
| 2. | 3. | First Interstate Tower 1300 S.W. Fifth Ave. Portland, Ore. 97201 | 694,000 | 40 | CB Commercial Group Inc./ Tony Adams, Tom Fellman/ (503) 221-1900 | \$15 to \$23 | 98% | Coopers & Lybrand, Willamette Industries Inc., Davis Wright Tremaine, Heller Ehrman White & McAuliffe | First Interstate Bank of Oregon/ Portland | Charles Luckman & Associates | 1972 |
| 3. | 2. | Montgomery Park 2701 N.W. Vaughn St. Portland, Ore. 97210 | 675,000 | 9 | H. Naito Properties/ Glen Robins/(503) 228-7275 | \$14.50 | 96% | Hyster-Yale Materials Handling Inc., Kaiser Permanente Northwest, First Interstate Bank of Oregon | Norcrest China Co./Portland | Note 1 | 1921 |
| 4. | 4. | Pacwest Center 1211 S.W. Fifth Ave. Portland, Ore. 97204 | 491,528 | 30 | Doug Bean & Associates/ Douglas Bean/(503) 222-5100 | \$21 to \$32.50 ² | 95% | IBM Corp., Merrill Lynch Pierce Fenner & Smith Inc., Key Bank of Oregon, Schwabe Williamson & Wyatt | 1200 Building Associates/ New York, N.Y. | Hugh Subbins/ Skidmore Owings & Merrill | 1984 |
| 5. | 5. | Standard Insurance Center 900 S.W. Fifth Ave. Portland, Ore. 97204 | 451,048 | 29 | Sid Woodbury Commercial Brokerage/John Baines/ (503) 222-1200 | \$14 to \$22 | 96% | Standard Insurance Co., Steel Rives Boley Jones & Grey, Marsch & McLennan, Georgia Pacific Corp. | Standard Insurance Co./Portland | Skidmore Owings & Merrill | 1969 |
| 6. | 6. | Lloyd Center Tower 825 N.E. Multnomah St. Portland, Ore. 97232 | 428,325 | 20 | Pacific Development Inc./ David Garfinkel, Dean Armstrong/(503) 233-4048 | \$17 | 85% | Liberty Northwest Insurance, CH2M Hill, Reliance Insurance Co., U.S. Bancorp | Pacific Development Inc./Portland | John Graham | 1981 |
| 7. | 7. | 200 Market Building 200 S.W. Market St. Portland, Ore. 97201 | 359,000 | 19 | Cushman & Wakefield Inc./ Doug Pugh/(503) 279-1700 | \$16.90 to \$19.90 | 90% | Aetna Insurance, Smith Barney Harris Upham & Co. Inc., Blue Cross and Blue Shield of Oregon | Russell Development Co. Inc./Portland | GBD Architects | 1973 |
| 8. | 8. | Security Pacific Plaza 1001 S.W. Fifth Ave. Portland, Ore. 97204 | 353,220 | 23 | CB Commercial Group Inc./ Chuck Fettig, Tom Fellman/ (503) 224-2375 | \$16 to \$19.50 | 90% | Security Pacific Bank, Wood Tatum Mosser Brooke & Landis, Allen Kilmer Schradler Yazbeck & Chenoweth | Equitable- Wright Portland Co./Seattle | Skidmore Owings & Merrill | 1980 |
| 9. | NR | Robert Duncan Plaza 111 S.W. Third Ave. Portland, Ore. 97204 | 330,656 | 10 | Melvin Mark Brokerage Co./ Dan Petrusich/(503) 223-9203 | \$18 to \$24 | 97% | U.S. Forest Service, U.S. Army Corps of Engineers | Marzer Group/ Portland | Zimmer Gunsul Frasca Partnership | 1991 |
| 10. | 9. | Bank of America Financial Center 121 S.W. Morrison St. Portland, Ore. 97204 | 328,346 | 18 | Norris, Beggs & Simpson/ Joseph Wood/(503) 223-7181 | \$13 to \$24.50 ² | 88% | AT&T; U S West; Bank of America; The Crabbe-Huson Co. | Prendergast & Associates Inc./Portland | Zimmer Gunsul Frasca Partnership | 1987 |
| 11. | 10. | KOIN Center at Fountain Plaza 222 S.W. Columbia St. Portland, Ore. 97201 | 324,000 | 30 | CB Commercial Group Inc./ Tom Fellman, Tony Adams/ (503) 221-1900 | \$14.50 to \$20 | 83% | Ater Wynne Hewitt Dodson & Skerritt, AT&T Financial Corp., KOIN-TV (Channel 6), Bogle & Gates | Olympia and York/Toronto | Zimmer Gunsul Frasca Partnership | 1983 |
| 12. | 11. | One Main Place 101 S.W. Main St. Portland, Ore. 97204 | 309,241 | 20 | Doug Bean & Associates/ Douglas Bean/(503) 222-5100 | \$14.50 to \$19.50 | 94% | Ball Janik & Novak, Industrial Indemnity, Fireman's Fund Insurance | Marathon U.S. Realties Inc./ Toronto | Skidmore Owings & Merrill | 1980 |
| 13. | 12. | Columbia Square 111 S.W. Columbia St. Portland, Ore. 97201 | 287,500 | 15 | Melvin Mark Cos./ Scott Andrews/(503) 223-4777 | \$14.95 to \$20 | 95% | Arthur Andersen & Co., Sedgwick James & of Oregon, PHA Insurance, Grant Thornton | Melvin Mark Jr./Portland | Zimmer Gunsul Frasca | 1980 |



MULTNOMAH COUNTY OREGON

3/31/92

#1
Submitted BY
Larry Kressel

OFFICE OF COUNTY COUNSEL
1120 S.W. FIFTH AVENUE, SUITE 1530
P.O. BOX 849
PORTLAND, OREGON 97207-0849
(503) 248-3138
FAX 248-3377

BOARD OF COUNTY COMMISSIONERS
GLADYS McCOY, CHAIR
PAULINE ANDERSON
RICK BAUMAN
GARY HANSEN
SHARRON KELLEY

COUNTY COUNSEL
LAURENCE KRESSEL
CHIEF ASSISTANT
JOHN L. DUBAY
ASSISTANTS
J. MICHAEL DOYLE
SANDRA N. DUFFY
GERALD H. ITKIN
H.H. LAZENBY, JR.
STEVEN J. NEMIROV
MATTHEW O. RYAN
JACQUELINE A. WEBER

MEMORANDUM

TO: Board of County Commissioners

FROM: Larry Kressel, County Counsel
John L. DuBay, Chief Assistant 

DATE: March 31, 1992

SUBJECT: Executive Summary of 3/31/92 Draft of
Proposed Agreement to Purchase One
Main Place.

SUMMARY

1. The purchase price is \$25.2 million, comprised of a down payment with the balance payable on closing.
2. The proposed contract calls for a review period by the County before deposit of a \$1.2 million down payment. The review period ends May 15, 1992. The deposit is subject to forfeiture if the purchase is not completed by June 30. Three one month extensions of the June 30 closing date are allowed. If the balance of the purchase price is not paid by the deadline, the down payment is forfeited to the Seller. If the purchase is completed by the deadline, the down payment is applied to the purchase price.
3. Upon signing the agreement, the County can begin its detailed inspection of the building and all documents concerning the building. This is called the "due diligence period," which ends May 15, 1992. The County has until then to approve or disapprove specified conditions.

4. By May 15, 1992, the County must approve the transaction and deposit \$1.2 million into escrow. The Seller must also give the County notice of its approval by May 15. If either side is silent as of May 15, the contract automatically terminates.
5. After signing the agreement, the County must promptly initiate proceedings to sell Certificates of Participation to finance the purchase and must also commence a lawsuit to validate (approve) the sale of the Certificates.
6. The sale must close by June 30, 1992, when the balance of the \$25.2 million purchase price must be paid (certain pro-rated expenses might increase the cost to acquire but not significantly). The closing date can be extended. The County can request a 30 day extension to July 31, 1992, without cost to the County. Two additional 30-day extensions can be given upon request and payment of \$50,000 for each extension. Additional extensions are subject to Seller's unlimited discretion.
7. As noted above, once the down payment is made, it is vulnerable to forfeiture. If the County fails to perform its contract commitments after May 15 or fails to pay the balance of the purchase price or otherwise fails to complete the sale by the specified closing date, the entire deposit in escrow is forfeited to the seller.
8. The Seller will give the County title by a warranty deed. This gives the County some protection against claims by others that the title is defective. However, several other provisions protect the Seller against future claims by the County if the County later discovers building conditions or circumstances that were not apparent during the purchase.
9. The County relies on its own examination of the physical condition of the building and its own economic analysis of documents provided by the Seller.
10. The building will be managed by the Seller for three years after the purchase. The County can then contract with others for management services. Because the three year management agreement is an exhibit to the purchase agreement, its provisions will be approved when the Purchase agreement is signed.

3/31/92 #2
Submitted by
Larry Kressel

M E M O R A N D U M

TO: Board of County Commissioners

FROM: Larry Kressel, County Counsel
John L. DuBay (106/1530)
Chief Assistant County Counsel

DATE: March 31, 1992

SUBJECT: Proposed Purchase and Sale Agreement

OUTLINE OF PROPOSED PURCHASE AND SALE AGREEMENT

PROPERTY: One Main Place

SELLER: Marathon U.S. Realties, Inc., a Delaware Corporation

PURCHASE PRICE: \$25.2 million

EFFECTIVE DATE OF CONTRACT: Not later than April 3, 1992

INVESTIGATION PERIOD ("Due Diligence period"): Effective Date to May 15, 1992)

DOWNPAYMENT DATE AND AMOUNT: May 15, 1992; \$1.2 million (nonrefundable after May 15, 1992)

CLOSING DATE: No later than June 30, 1992 (subject to three, 1 month extensions)

FINANCING: Sale of taxable COPs (\$31.5 million)

BUILDING MANAGEMENT: After closing, Marathon will continue managing building for 3 years under contract with county

AGREEMENT OF PURCHASE AND SALE
(One Main Place)

Seller: MARATHON U.S. REALTIES, INC., a Delaware corporation

Buyer: MULTNOMAH COUNTY, a political subdivision of the State of Oregon

Property: ONE MAIN PLACE, Portland, Oregon

Dated: April __, 1992

AGREEMENT OF PURCHASE AND SALE
(One Main Place)

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EXHIBITS

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| <u>Exhibit G</u> | Buyer's Opinion |
| <u>Exhibit H</u> | Confirmation of Termination |
| <u>Exhibit I</u> | Seller's Opinion |
| <u>Exhibit J</u> | Quitclaim Deed |
| <u>Exhibit K</u> | Environmental Report |
| <u>Exhibit L</u> | FIRPTA Certificate |
| <u>Exhibit M</u> | Minimum Leasing Standards |
| <u>Exhibit N</u> | Extension Notice |
| <u>Exhibit O</u> | Bill of Sale |
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| <u>Exhibit Q</u> | Assignment of Leases |

AGREEMENT OF PURCHASE AND SALE

(One Main Place)

THIS AGREEMENT OF PURCHASE AND SALE (the "Agreement") is entered as of this _____ day of April __, 1992 (the "Effective Date"), by and between MARATHON U.S. REALTIES, INC. ("Seller"), a Delaware corporation (successor by merger with MARATHON DEVELOPMENT OREGON, INC.), and MULTNOMAH COUNTY ("Buyer"), a political subdivision of the State of Oregon.

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. Seller is the owner of that certain property described as follows:

1. Land and Improvements. Fee simple title to: (a) that certain real property located in the City of Portland, County of Multnomah, State of Oregon, as more particularly described in Exhibit A attached hereto (the "Land"); and (b) that twenty (20) story office building commonly known as One Main Place, consisting of approximately three hundred nine thousand two hundred forty-one (309,241) square feet of area, and all other structures and improvements on the Land owned by Seller (the "Improvements");

2. Parking. Two (2) levels of underground parking at the Improvements (the "Parking Facilities");

3. Other Rights. All rights and easements appurtenant to the assets described in paragraphs A.1 and A.2 above, if any (including, without limitation, any development rights, air rights, water and water rights owned by Seller, if any) (the "Other Rights");

4. Leases. Seller's lessor's interest in and to all tenant leases, subleases and tenancies, as the same may be modified or amended, as more fully set forth in Exhibit B attached hereto (the "Leases"), which defined term shall include all leases entered by Seller after the Effective Date and before the Closing Date, as hereinafter defined; and

5. Personal Property. All fixtures, equipment, supplies, furnishings, and items of personal property used in the operation, maintenance and repair of the Improvements and Parking Facilities, located on the Land and owned by Seller (the "Personal Property") which, as of the Effective Date, consists of the personal property listed, inventoried and described in Exhibit C attached hereto.

6. Property. The Land, Improvements, Parking Facilities, Other Rights, Leases and Personal Property shall hereinafter be referred to collectively as the "Property."

B. The Property is encumbered by that certain Oregon Mortgage dated as of February 2, 1981 by and among Seller, as mortgagee, and New York Life Insurance Company ("NYLIC"), as mortgagor, which was recorded on January 29, 1981 at Book 1500, Page 315 in the Multnomah County Official Records (the "NYLIC Mortgage"), securing that certain promissory note dated as of February 2, 1981, by and between Seller, as maker, and NYLIC, as payee, in the original principal amount of Twenty Two Million Five Hundred Sixty Five Thousand Dollars (\$22,565,000) (the "NYLIC Note").

C. Buyer intends to finance the acquisition of, and ultimately acquire, the Property by sale of Certificates of Participation ("COPs") pursuant to and in furtherance of the terms and conditions of a lease-purchase agreement (the "COP Agreement").

D. Seller desires to sell the Property to Buyer on an "as is" basis, without any representations or warranties of any kind pertaining to the condition of the Property except as expressly provided in Section 8 below.

E. Seller, as manager, and Buyer, as owner, have covenanted in this Agreement to enter into an Asset Management Agreement, as hereinafter defined, and in connection therewith, the parties hereto agree that Seller would not have entered this Agreement with Buyer but for Buyer's willingness to enter the Asset Management Agreement and fulfill its obligations thereunder.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1. Transfer. Seller agrees to transfer the Property to Buyer, and Buyer agrees to acquire the Property from Seller, on all of the mutual terms, covenants and conditions hereinafter set forth.

2. Deposit.

(a) Initial Deposit. On the Effective Date, Buyer shall deposit with Transamerica Title Insurance Company, at its office located at 555 Oak Street, Plaza Level, Portland, Oregon 97204, Attn: David Aldrich, Esq. (the "Title Company"), or such other title company as Seller may elect, cash in the amount of Ten Dollars (\$10.00) in an interest-bearing account (the "Initial Deposit"), as an earnest money deposit on account of the Purchase Price.

(b) Additional Deposit. Upon the satisfaction or waiver of Buyer's Conditions Precedent, as hereinafter defined, Buyer shall deposit with the Title Company the additional sum of One Million One Hundred Ninety-Nine Thousand Nine Hundred Ninety Dollars (\$1,199,990) (the "Additional Deposit"). The Initial Deposit, together with the Additional Deposit shall, in the aggregate, be equal to the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) and hereinafter shall be referred to as the "Deposit."

(c) Non-Refundable. Except as specifically set forth in this Section 2, upon the approval or waiver in writing by Buyer of all of Buyer's Conditions Precedent, the Deposit shall be non-refundable, and shall be Seller's liquidated damages (subject to the Buyer's Inspection Obligations, as hereinafter defined) in the event of a breach of this Agreement by Buyer pursuant to Section 3(a) below, or shall be applied against the Purchase Price pursuant to Section 4 below.

(d) Termination. In the event this Agreement is terminated pursuant to (i) Section 6(b) below due to Buyer's failure to waive or approve all of Buyer's Conditions Precedent, or (ii) Section 6(d)(i) below due to failure of Seller's Board's approval, the Deposit, together with all interest earned thereon, shall be refunded to Buyer.

3. Remedies on Default.

(a) Buyer's Default - Seller's Liquidated Damages. IN THE EVENT THAT THIS TRANSACTION DOES NOT CLOSE AS A CONSEQUENCE OF A DEFAULT BY BUYER, SELLER SHALL RETAIN THE ONE MILLION TWO HUNDRED THOUSAND DOLLAR (\$1,200,000) DEPOSIT, TOGETHER WITH ALL INTEREST EARNED THEREON, IF ANY, AS LIQUIDATED DAMAGES (PROVIDED, HOWEVER, BUYER MAY ALSO BE LIABLE FOR Buyer's Inspection Obligations, AS THAT TERM IS DEFINED IN SECTION 6(C) BELOW, AND ANY SUCH Buyer's Inspection Obligations SHALL BE IN ADDITION TO THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 3(a). THE PARTIES HEREBY AGREE THAT IF BUYER DEFAULTS, SELLER'S ACTUAL DAMAGES WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, AND THUS THE DEPOSIT IS THE BEST ESTIMATE OF THE DAMAGE SELLER WOULD SUFFER. ACCORDINGLY, THE AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) SHALL BE THE TOTAL AMOUNT THAT SELLER IS ENTITLED TO RECEIVE AS LIQUIDATED DAMAGES, SUBJECT TO (i) ADDITIONAL SUMS IN THE EVENT BUYER IS LIABLE FOR Buyer's Inspection Obligations, AND (ii) ADDITIONAL AMOUNTS PAID BY BUYER TO SELLER AS EXTENSION FEES, AS HEREINAFTER DEFINED, FOR EXTENSIONS OF THE PERIOD IN WHICH TO CLOSE, AS PROVIDED IN SECTION 12(a)(i)(B) BELOW. THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY INITIALING THIS SECTION 3(a) AS FOLLOWS:

BUYER: _____

SELLER: _____

(b) Seller's Default - Buyer's Remedies. In the event of a default by Seller (i) prior to Closing, as hereinafter defined, Buyer's only remedies shall be to either (A) waive the Buyer's Closing Conditions, as hereinafter defined, and proceed to Closing, or (B) terminate this Agreement (with the exception of Buyer's Inspection Obligations), whereupon the Deposit (including all interest earned thereon, if any) shall be refunded to Buyer, or (ii) after Closing, Buyer's remedies shall be limited to damages according to proof.

4. Purchase Price.

(a) Amount of Purchase Price. Buyer shall pay Seller a purchase price for the Property in the amount of Twenty-Five Million Two Hundred Thousand Dollars (\$25,200,000) (the "Purchase Price"), subject to the effect of Prorations, as hereinafter defined, pursuant to and in accordance with Section 17 below.

(b) Manner of Payment. Buyer shall pay the Purchase Price to Seller at the Closing, as follows.

(i) Deposit. Apply the Deposit against the Purchase Price.

(ii) Cash Payment. Pay additional cash in the amount equal to the difference between the Purchase Price, adjusted pursuant to Section 17 below, and the Deposit (the "Cash Payment").

5. Due Diligence Period. The due diligence period applicable to Buyer's acquisition of the Property shall commence on the Effective Date and expire on the date Buyer waives or approves in writing all of Buyer's Conditions Precedent, but in no event later than May 15, 1992 (the "Due Diligence Period").

6. Conditions Precedent.

(a) Buyer's Conditions Precedent. Buyer's obligation to purchase the Property from Seller is subject to the following conditions precedent (the "Buyer's Conditions Precedent"):

(i) Title. Buyer's review and approval prior to the expiration of the Due Diligence Period of that certain Preliminary Title Report, Title No. 1218210H, dated February 10, 1992, prepared by Title Company (the "Preliminary Title Report"), indicating only the Acceptable Exceptions, as hereinafter defined, on Schedule C of the Preliminary Title Report.

(ii) Records. Buyer's review and approval at the Property prior to expiration of the Due Diligence Period of all written records concerning the construction, operation, and maintenance of the Property in Seller's possession (the "Property Records"). Seller shall make the Property Records available to

Buyer for its review at the Seller's Property Management Office during normal business hours within one (1) day after Buyer's notice thereof, and shall provide Buyer the opportunity to copy the Property Records at Buyer's expense. All Property Records and copies thereof shall be subject to the terms and conditions of that certain letter agreement dated February 21, 1992, a copy of which is attached hereto as Exhibit E and, in the event of termination of this Agreement, Buyer shall promptly thereafter return the Property Records and all copies thereof to Seller. The Property Records shall include, but not be limited to, the following:

(A) All architectural drawings, construction plans and specifications, "as built" records of the improvements, the Environmental Report, as hereinafter defined, inspection reports, and all topographical surveys and soil tests for or relating to the Property.

(B) the Leases, together with any amendments thereto, and all tenant correspondance and leasing files pertaining to premises demised to tenants at the Property.

(C) All written records in Seller's possession, and without requiring Seller to create any new documents or reports, which set forth with respect to each demised premises, the following information: the suite number; the name of the tenant, if any; the date of the Lease, if any, and the dates of any amendments or modifications thereto; the terms of tenancy; the monthly rent and any other charges payable by the tenant under the Lease; the amount of any remaining security deposit; whether any prepaid rent has been received by Seller and, if so, the amount thereof; any assigned parking spaces and parking allowances; any written notices of current delinquencies or uncured default by the tenant; any written notices of pending defenses, setoffs or counterclaims which have been asserted by the tenant, if any have been made; and any unexpired free rent or other unexpired concessions to the tenant (collectively, the "Rent Roll Records").

(D) Seller's financial projections with respect to the Property (the "Financial Projections").

(E) Any written information in the Seller's possession relating to the uses of the Property prior to the construction of the Improvements.

(F) All current service or maintenance contracts with respect to the Property.

(G) Written notices received by Seller from its insurance company pertaining to any defects or inadequacies in the Property.

(i) Proforma Title Policies. Buyer's review and approval prior to the expiration of the Due Diligence Period of (A) a proforma American Land Title Association owner's policy of title insurance in commitment form (the "Proforma Owner's Policy"); and (B) a proforma policy of title insurance (the "Proforma COP Vendor's Policy") in such form and with such endorsements as the COP Vendor may reasonably require (the Proforma Owner's Policy and the Proforma COP Vendor's Policy shall hereinafter be referred to collectively as, the "Proforma Title Policies"). The Proforma Title Policies shall show title to the Property vested in Buyer subject to (1) the interests of tenants in possession; (2) the Exceptions approved by Buyer; and (3) the Title Company's standard preprinted exceptions and stipulations. The Exceptions set forth on the Proforma Title Policies shall be referred to as the "Condition of Title."

(ii) Physical Condition of the Property. Buyer's review and approval prior to the expiration of the Due Diligence Period of the physical condition of the Property.

(iii) Deed. Buyer's review and approval on the Effective Date, of a form of deed ("Deed") in the form of Exhibit D attached hereto.

(iv) Asset Management Agreement. Buyer's review and approval on the Effective Date, of the asset management agreement for the Property attached hereto as Exhibit F (the "Asset Management Agreement").

(v) Board of County Commissioners' Approval. Review and approval of this agreement and approval or waiver of Buyer's Conditions Precedent by Buyer's Board of County Commissioners (pursuant to and in accordance with applicable laws) prior to expiration of the Due Diligence Period.

(vi) Opinion of Buyer's Counsel. Buyer's review and approval on the effective date of a form of legal opinion in the form of Exhibit G attached hereto (the "Buyer's Opinion") to be rendered by Buyer's counsel.

(b) Failure of Buyer's Conditions Precedent. If, prior to expiration of the Due Diligence Period, the Buyer's Conditions Precedent have not been waived or approved in writing by Buyer, this Agreement shall terminate automatically without further action by the Buyer. Notice of Buyer's waiver or approval of Buyer's Conditions Precedent shall be given in the manner described in Section 15 below. Upon termination under this Section 6(b), Buyer shall (i) confirm such termination by delivering to Seller notice thereof in the form of Exhibit H attached hereto (the "Confirmation of Termination") within three (3) days after expiration of the Due Diligence Period, and (ii) pay all customary escrow fees and cancellation fees of Title Company, and all rights, duties and obligations of each party

(with the exception of Buyer's Inspection Obligations) shall terminate.

(c) Buyer's Rights During Due Diligence Period.

Subject to the provisions of the Leases, Seller hereby authorizes Buyer, and Buyer's agents, representatives and contractors: to (i) inspect the Property and all mechanical and utility systems, and all Property Records as defined in Section 6(a)(ii) above, as reasonably required by Buyer to complete its due diligence review upon reasonable prior written notice to Seller; and (ii) to interview tenants at the Property with the prior consent, and in the company, of Seller and/or its agent. Buyer shall be responsible for any damage caused by Buyer's inspection to any person, property or the Property. Subject to and within the limits of the Oregon Tort Claims Act (ORS 30.260 to 30.300), Buyer agrees to indemnify Seller for, and hold Seller harmless from, any cost, expense, liability, claim, demand, loss or damage (including, without limitation, reasonable attorneys' fees and court costs) for contractual obligations, including, without limitation, mechanics' and materialmen's liens, personal injury or property damage that Seller may incur by reason of Buyer's inspection of the Property, and Buyer shall repair and restore any damage caused to the Property by Buyer's or Buyer's agents', representatives' or contractors' inspection of the Property reasonably to the condition existing prior to such damage (the "Buyer's Inspection Obligations"). In the event this transaction should fail to close for any reason whatsoever, and notwithstanding any provisions in this Agreement to the contrary, Buyer's obligations under this Section 6(c) shall survive the termination of this Agreement for an unlimited period.

(d) Seller's Conditions Precedent. Seller's obligation to transfer the Property to Buyer is subject to the following conditions precedent ("Seller's Conditions Precedent"):

(i) Board of Directors Approval. Review and approval of this Agreement by Seller's President and Seller's Board of Directors (collectively, "Seller's Board"), by May 15, 1992. In the event that Seller's Board does not approve this Agreement, Seller shall pay all customary escrow fees and title cancellation fees of the Title Company, if any, and instruct the Title Company to return the Deposit to Buyer (if paid by Buyer prior to that time), and all rights, duties and obligations of each party hereunder (with the exception of Buyer's Inspection Obligations) shall terminate.

(ii) Board Approval of COP Agreement. Enactment by the Board of County Commissioners of a resolution, which resolution among other things, (A) approves a plan to provide funds for the payment of the costs of acquisition of the Property through the issuance of COPs under the COP Agreement, and (B) authorizes an officer of Multnomah County to execute such documents as are necessary to consummate the transaction

contemplated in this Agreement, in the COP Agreement and in furtherance of the transactions contemplated in connection with the COPs.

(iii) Asset Management Agreement. Seller's review and approval on the Effective Date of the Asset Management Agreement.

(iv) Deed. Seller's review and approval on the Effective Date of the Deed.

(v) Board of County Commissioners' Approval. Review and approval of this agreement by Buyer's Board of County Commissioners (pursuant to and in accordance with applicable laws) prior to expiration of the Due Diligence Period.

(vi) Opinion of Seller's Counsel. Seller's review and approval on the Effective Date of a legal opinion in the form of Exhibit I attached hereto (the "Seller's Opinion") to be rendered by Seller's counsel.

(e) Failure of Seller's Conditions Precedent. If, prior to expiration of the Due Diligence Period, the Seller's Conditions Precedent have not been waived or approved in writing by Seller, Seller shall have the right (but not the obligation) to terminate this Agreement, subject to the Buyer's Inspection Obligations as defined in Section 6(c) above. Seller's failure to deliver written notice of waiver or approval of Seller's Conditions Precedent prior to May 15, 1992 shall be deemed the disapproval thereof, and this Agreement shall terminate automatically, subject to Buyer's Inspection Obligations, as defined in Section 6(c) above. Upon termination under this Section 6(e), Seller shall (i) confirm such termination by delivering to Buyer notice thereof in the form of the Confirmation of Termination within three (3) days after May 15, 1992, and (ii) pay all customary escrow fees and cancellation fees of Title Company, and all rights, duties and obligations of each party (with the exception of Buyer's Inspection Obligations) shall terminate.

7. Buyer's Representations and Covenants.

(a) Buyer's Representations. Buyer hereby represents and warrants to Seller as follows:

(i) Brokers. Buyer's sole contact with respect to Buyer's acquisition of the Property has been with Seller and Doug Bean & Associates (the "Broker"), an Oregon corporation, and not through any other broker or finder. Buyer further warrants that no broker or finder other than Broker can properly claim a right to a commission or finder's fee based upon contacts between the claimant and Buyer with respect to Seller or the Property.

(ii) Authority. This Agreement and all other documents delivered prior to or on the Effective Date, (A) have been duly authorized and executed by Buyer and delivered to Seller, (B) are legal, valid, and binding obligations of Buyer, and (C) neither violate any provision of any agreement to which Buyer is a party, nor violate any charters, bylaws, judicial orders, statutes, laws, rules, regulations, codes, ordinances, or administrative orders of any governmental entities exercising jurisdiction over Buyer or the Property.

(iii) Buyer's Inspection. Buyer acknowledges that prior to May 15, 1992, Buyer (or its agents, contractors and/or employees) shall have inspected the Property and all factors relevant to Buyer's use thereof, including, without limitation (A) the physical condition of the Property (including, without limitation, the interior and exterior, the structure, the mechanical systems, the life-safety systems, the electrical system, the condition of soils and subsurfaces (particularly with respect to the potential presence of hazardous or toxic substances or waste), the utilities and physical and functional aspects of the Property); (B) written materials in the possession of Seller's property manager at the Property, including, without limitation, operating records, Leases, vendors' contracts, documents and other information affecting the income and operation of the Property deemed by Buyer to be relevant and material; (C) such other matters deemed by Buyer to be relevant and material relating to title, together with municipal, county, regional, state and federal legal requirements deemed by Buyer to be relevant and material; and (D) environmental records maintained by city, state, federal and local governmental entities. In furtherance of Buyer's inspection obligations hereunder, Buyer shall utilize such professional consultants and other technical experts as may be necessary, desirable or customary to Buyer.

(iv) Purchase "As Is". Buyer has substantial experience with investment in real property and Buyer acknowledges and agrees that Buyer is acquiring the Property in an "as is" condition, and solely in reliance on Buyer's own inspection and examination of the Property (except as specifically set forth in Section 8 below). Moreover, Buyer acknowledges and agrees that Seller has made no representations or warranties (direct or indirect, express or implied, or pursuant to statute) except as set forth in Section 8 below.

(v) Accuracy of Information. All written information delivered to Seller by Buyer is true, complete and accurate in all material respects.

(vi) Qualification. Buyer represents that it is a political subdivision of the State of Oregon duly created and validly existing under the laws of the State of Oregon.

(b) Buyer's Covenants.

(i) Brokers. Buyer shall indemnify, defend and hold Seller harmless from and against any loss, cost or expense, including, without limitation, attorneys' fees and court costs, resulting from any claim for a fee or commission by any broker or finder claiming by, through or under Buyer, with the sole exception of commissions to be paid to Broker, which commission shall be paid by Seller, at Seller's sole cost and expense.

(ii) Indemnification. Buyer shall indemnify, defend, and hold Seller harmless from any liability, loss, or claim for damages, including reasonable costs and attorneys' fees, arising out of (A) the breach of Buyer's covenants or warranties hereunder, (B) or in connection with any litigation arising as a result of the COP Agreement, transactions arising from or related to the COP Agreement, sale of the COPs or any matters related thereto, (C) lawsuits brought by any third party in connection with Buyer's authority to consummate this transaction or the transactions contemplated hereunder, including, without limitation, the COP Agreement, and (D) or in connection with the Property occurring on or after the Closing Date, except for any claim based on conditions on the Property or Seller's acts or failure to act prior to the Date of Closing, and within the limitations of the Oregon Tort Claims Act, ORS 30.260-30.300.

(iii) Transaction Documents. Buyer shall use good faith efforts to deliver to Seller promptly on a regular basis, reports of the status of the proceedings to sell COPs and any litigation related thereto, including, without limitation, copies of staff reports, public notices and the COP closing transcript (the "Transaction Documents").

(iv) Change in Financial Position. Buyer shall use good faith efforts to notify Seller promptly in writing of any material adverse change in financial position that may occur during the period between the Effective Date and the Closing Date, as compared against that certain Multnomah County, Oregon Comprehensive Annual Financial Report Fiscal Year Ended June 30, 1991 (transmitted under cover of letter dated December 10, 1991) (the "Buyer's Financial Report").

(v) Authority. All executed documents delivered to Seller by Buyer after the Effective Date shall (A) be duly authorized and executed by Buyer and delivered to Seller, and (B) not violate any provision of any agreement to which Buyer is a party, nor violate any charters, bylaws, judicial orders, statutes, laws, rules, regulations, codes, ordinances, or administrative orders of any governmental entities exercising jurisdiction over Buyer or the Property.

(vi) Validation Suit. Buyer, at its sole cost and expense, shall promptly commence and diligently prosecute to final decision a validation lawsuit (the "Validation Suit") whereby this Agreement and the COP Agreement, shall be adjudicated as lawful, duly enacted, and within the authority of Buyer and Buyer's Board of County Commissioners.

(vii) Risk of Validation Suit, COP Agreement and Related Transactions. Buyer hereby assumes all risk arising from or in connection with the success or failure of the Validation Suit, the COP Agreement and the transactions related to or arising from the COP Agreement, including, without limitation, the rating of the COP offering, the sale of the COPs and any litigation pertaining thereto.

(viii) Quitclaim Deed. On the Effective Date, Buyer shall execute and conditionally deliver to Seller a quitclaim deed in the form of Exhibit J attached hereto (the "Quitclaim Deed") whereby Buyer shall quitclaim any and all right, title or interest in, to or under the Property. The delivery to Seller of the Quitclaim Deed shall be conditioned upon the termination of this Agreement (or the failure of Closing to occur) pursuant to the terms and conditions hereof, in which event Seller shall have the right to record the Quitclaim Deed at any time thereafter.

(ix) Change in Conditions. Notwithstanding if any facts, conditions or circumstances change or turn out differently from what Buyer believes or believed pursuant to its own examination of the Property and related matters prior to Buyer's approval or waiver of the Buyer's Conditions Precedent, Buyer hereby agrees that Buyer's obligations hereunder shall remain in full force and effect, with no right to delay the Closing, terminate this Agreement, or seek recompense from Seller other than as may be set forth expressly in this Agreement.

(x) Release of Seller. At Closing, Buyer shall release Seller and all of Seller's officers, directors, employees, and agents from any and all claims that may arise after Closing relating to or in connection with (A) the condition of the Property existing prior to May 15, 1992, including, without limitation, the presence of any hazardous or toxic substances or waste; or (B) any other matter pertaining to the Property, including, without limitation, the Leases. Provided, however, this Buyer's release shall not affect any claims based on Seller's breach of any term or condition of this Agreement.

(xi) Delivery of Resolution. On or before the Closing Date, Buyer shall deliver to Seller a resolution duly enacted by Buyer's Board of County Commissioners, approving this transaction and the agreements and transactions contemplated in this Agreement.

8. Seller's Representations and Covenants.

(a) Seller's Representations. Seller hereby represents as follows:

(i) Disclaimer of Warranties. Except as specifically stated in this Agreement, neither Seller nor any agents, representatives or employees of Seller, have made any warranties, express, statutory or implied, oral or written, with respect to the Property, or its fitness for any particular purpose.

(ii) Brokers. Seller's sole contact with respect to Buyer's acquisition of the Property has been with Buyer and Broker and not through any other broker or finder. Seller warrants that no broker or finder can properly claim a right to a commission or finder's fee by, through or under Seller with respect to Buyer or the Property, excepting Broker.

(iii) Non-Foreign Status. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended.

(iv) Accuracy of Information. To Seller's Actual knowledge: (A) all written information prepared by Seller and delivered to Buyer by Seller is true and complete in all material respects, (B) all other written information delivered to Buyer by Seller (the "Third Party Reports"), including, without limitation, the Environmental Report, as hereinafter defined, is a true and complete copy of what was delivered to Seller by such other parties, provided, however, Seller makes no representations or warranties with respect to the accuracy, content or completeness of Third Party Reports, and (C) the Rent Roll Records and Financial Projections are operating documents prepared by Seller in the ordinary course of business for internal control purposes only and were not, and shall not be deemed to be, created for the purpose of representation, warranty or guarantee to Buyer of, or with respect to, the subject matters set forth therein. Buyer's reliance on the accuracy or completeness of the Rent Roll Records and Financial Projections is at Buyer's own risk and subject expressly to this disclaimer of accuracy and completeness of the contents thereof.

(v) No Uncured Violations. To Seller's Actual Knowledge, there is no, and Seller has not received notice of any, uncured violation of any applicable statute, ordinance, regulation or order respecting the use of the Property, or the existence or construction of the Improvements.

(vi) Pending Litigation. To Seller's Actual Knowledge, there is not, and Seller has not received notice of any, proceedings, actions or suits pending against the Property.

(vii) Environmental Reports. Seller has retained expert consultants and contractors to undertake certain environmental work on, and perform assessments of, the Property and in connection therewith Seller has received that certain environmental report identified in Exhibit K attached hereto (the "Environmental Report"), which Environmental Report, to Seller's Actual Knowledge, is a true and complete copy of what was delivered to Seller by such consultants and contractors, provided, however, Seller makes no representations or warranties with respect to the accuracy, contents or completeness of such Environmental Report.

(viii) Hazardous Substances. To Seller's Actual Knowledge, with the sole exceptions of maintenance and cleaning materials in minor quantities used, stored and disposed of in compliance with and pursuant to applicable laws, Seller has not, during its ownership of the Property, stored, produced, or disposed of any hazardous substance listed in ORS 465.200(9) on the Property.

(ix) Authority. This Agreement and all other documents delivered prior to or on the Effective Date, (A) have been duly authorized and executed by Seller and delivered to Buyer, (B) are legal, valid, and binding obligations of Seller, and (C) to Seller's Actual Knowledge, neither violate any agreement to which Seller is a party, nor violate any bylaws, judicial orders, statutes, laws, rules, regulations, codes, ordinances, or administrative orders of any governmental entities exercising jurisdiction over Seller or the Property.

(x) Actual Knowledge Defined. As used in this Agreement, the term Seller's "Actual Knowledge" shall mean the actual knowledge of Seller, and those persons employed by Seller as of February 1, 1992 which have direct knowledge of the facts respecting the Property set forth in this Agreement and in the Property Records.

(xi) Insurance Notices. To Seller's Actual Knowledge, Seller has not received any written notices from its insurance company of any defects or inadequacies in the Property.

(xii) Pending Insolvency Actions. To Seller's Actual Knowledge, Seller has not received written notice of any pending or threatened attachments, execution proceedings, assignments for the benefit of creditors (other than as set forth in Schedule C of the Preliminary Title Report), insolvency, bankruptcy, reorganization, or other proceedings affecting Seller's ownership of, or ability to transfer, the Property, nor are any such proceedings contemplated by Seller.

(b) Seller's Covenants.

(i) Title Insurance. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the Preliminary Title Report, together with copies of all documents supporting the exceptions set forth in Schedule C of the Preliminary Title Report (the "Underlying Documents"). Within ten (10) days after receipt of the Preliminary Title Report and the Underlying Documents, Buyer shall deliver to Seller written notice ("Buyer's Notice of Unacceptable Exceptions") identifying the exceptions set forth in Schedule C of the Preliminary Title Report which are not acceptable to Buyer (the "Unacceptable Exceptions"). All exceptions listed on Schedule C of the Preliminary Title Report which are not set forth in Buyer's Notice of Unacceptable Exceptions shall be deemed acceptable to Buyer (the "Acceptable Exceptions"). Within ten (10) days after receiving Buyer's Notice of Unacceptable Exceptions, Seller shall advise Buyer of Seller's election, in Seller's sole discretion, to either (A) cause Title Company to remove the Unacceptable Exceptions from Schedule C of the Preliminary Title Report, or (B) terminate this Agreement (subject to Buyer's Inspection Obligations). In the event Seller elects to cause the Title Company to remove the Unacceptable Exceptions from Schedule C of the Preliminary Title Report, Seller shall do so at its sole cost and expense prior to or on the Closing Date; provided, however, Seller has no, and shall not be deemed to have any, obligation to cause Title Company to remove any Unacceptable Exceptions, except as Seller may expressly agree by written notice to Buyer, as aforesaid.

(ii) No Further Encumbrances. Seller shall not voluntarily grant or create a permanent lien or encumbrance against the Property after the Effective Date without first obtaining Buyer's written consent thereto.

(iii) Foreign Investment Real Property Tax Act. Seller shall cause the FIRPTA Certificate attached hereto as Exhibit L (the "FIRPTA Certificate") to be executed and delivered to Buyer prior to Closing.

(iv) Brokers. Seller shall indemnify, defend and hold Buyer harmless from and against any loss, cost or expense, including, without limitation, attorneys' fees and court costs, resulting from any claim for a fee or commission by any broker or finder claiming by, through, or under Seller, excepting Broker.

(v) Authority. This Agreement and all other documents delivered to Buyer prior to or on the Closing Date shall have been or shall be duly authorized and executed by Seller and delivered to Buyer.

(vi) Delivery of Resolution. On or before the Closing Date, Seller shall deliver to Buyer a corporate resolution duly enacted by Seller's Board approving this

transaction and the agreements and transactions contemplated in this Agreement.

(vii) Indemnification. Seller shall indemnify, defend and hold Buyer harmless from and against any liability, loss or claim for damages, including reasonable costs and attorney's fees, brought by third parties arising out of any act or failure to act by Seller prior to Closing in connection with the Property.

(viii) Maintenance of Insurance Coverage. During the period between the Effective Date and the Closing Date, Seller, shall maintain insurance pertaining to the Property substantially of the type and in the amount existing immediately prior to the Effective Date.

(ix) Maintenance of Mechanical Systems. Seller shall maintain the electrical, plumbing, heating, and air conditioning systems at the Property so that such systems shall be in substantially the same condition at Closing as when the Buyer conducted its inspection, normal wear and tear excepted.

9. Risk of Loss.

(a) Insurance Proceeds. Buyer shall purchase the Property as required by the terms of this Agreement, without regard to damage to any Improvements or Personal Property on the Property after the Effective Date, provided the cost to repair the damage does not exceed Five Hundred Thousand Dollars (\$500,000). If the cost exceeds that amount, based upon a report prepared by a consultant mutually agreed upon by Seller and Buyer, Buyer may terminate this Agreement (subject to Buyer's Inspection Obligations defined in Section 6(c) above) by delivery to Seller of Buyer's Notice of Termination within ten (10) days after Buyer's receipt of the aforementioned consultants' report respecting the cost to repair the damage. If Buyer does not so terminate, any insurance proceeds collected by Seller as a result of the damage or destruction up to the amount to repair the damage, or any proceeds paid to Seller sufficient to repair such damage shall be assigned to Buyer at Closing, if not then collected. Seller agrees to deliver to Buyer written notice of any fire or other casualty promptly after its notice of such occurrence at the Property.

(b) Uninsured Damage. If the insurance proceeds are not adequate to repair the damages, or if the loss is not insured under the terms of the applicable policy (in either case, the uninsured portion of the loss is referred to as the "Uninsured Damage") and the Uninsured Damage exceeds Five Hundred Thousand Dollars (\$500,000), either party may terminate this Agreement (subject to Buyer's Inspection Obligations defined in Section 6(c) above) by written notice to the other within ten (10) days after the receipt of notice of the amount of insurance proceeds

available; provided, however, (i) Buyer may elect, in Buyer's sole discretion, to proceed with Closing and accept as complete compensation for the loss a credit in the amount, or assignment, of the insurance proceeds, or (ii) Seller may elect, in Seller's sole discretion, to proceed with Closing by crediting, or assigning, to Buyer the entire amount of the insurance proceeds plus an amount equal to the Uninsured Damage loss. The election by Buyer or Seller to cancel the other's termination and proceed with Closing pursuant to this Section 9(b)(i) or 9(b)(ii), as applicable, must be in writing and delivered to the terminating party within ten (10) days after receipt of that party's notice to terminate.

(c) Return of Deposit. The Deposit, together with all interest thereon, shall be returned to Buyer immediately following termination by Buyer or Seller pursuant to Section 9(a) or Section 9(b), as applicable, above.

10. Property Management.

(a) Prior to Closing. During the period between the Effective Date and the Closing, Seller hereby agrees as follows:

(i) Maintenance of Property. To maintain the Property generally in accordance with Seller's standard maintenance and operation procedures.

(ii) Property Management. To operate the Property in substantially the same manner that Seller operated the Property prior to the Effective Date. Seller may enter such service contracts, utility contracts and other contracts pertaining to the management of the Property as Seller may deem necessary for the continued management of the Property; provided, however, such service contracts shall be cancelable upon thirty (30) days prior written notice; and Seller may, in its sole discretion, commence litigation and/or settle disputes (economic or otherwise) with tenants.

(b) After Closing. After the Closing Date, Seller (or an affiliate or assignee of Seller, in Seller's sole discretion) shall manage the Property pursuant to and in accordance with the terms and conditions of the Asset Management Agreement. In connection therewith, the parties agree that Seller (or Seller's affiliate, as applicable), as manager, would not have agreed to enter the Asset Management Agreement with Buyer, as owner, but for Buyer's willingness to enter this Agreement and fulfill its obligations hereunder.

11. Leasing of the Property.

(a) Prior to Closing. During the period between the Effective Date and the Closing, Seller hereby agrees that Seller (i) shall not enter any leases for space at the Property or amend any existing leases on terms less favorable than the minimum leasing standards set forth in Exhibit M attached hereto (the "Minimum Leasing Standards"), without first obtaining Buyer's written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed; (ii) shall have the right, in its sole discretion, to enter any leases at the Property or amend existing leases on terms greater than or equal to the Minimum Leasing Standards, and (iii) shall not initiate negotiations to buy out any tenant or agree to terminate any existing leases (except for the PW Lease, as hereinafter defined, as provided for in Section 18 below), without the consent of Buyer except as may be commercially reasonable in the ordinary course of business in the event of a default by tenant and Seller's efforts to pursue its remedies as landlord under and pursuant to the applicable Lease and applicable laws. In the event Buyer fails to respond to Seller's written request for consent within five (5) days after receipt thereof, Buyer shall be deemed to have consented to such request. Any unwillingness to grant consent by Buyer shall be set forth in writing and delivered to Seller within such five (5) day period, together with specific details regarding the reasons for Buyer's unwillingness to grant consent and specifically describing the terms and conditions upon the realization of which Buyer would grant its consent.

(b) After Closing. After the Closing Date, Seller shall engage a listing broker to act as exclusive leasing agent for the Property pursuant to and in accordance with the terms and conditions of the Asset Management Agreement.

12. Closing.

(a) Closing and Closing Date. "Closing" shall mean the delivery and recording of the Deed sufficient to convey fee simple title to Buyer, and the payment of the Purchase Price to Seller, and shall occur prior to or on June 30, 1992 (the "Closing Date"), subject to any Extension Periods, as provided below.

(i) Extension of Closing Date. Buyer shall have the right to extend the Closing Date for up to three (3) consecutive periods of thirty (30) days each (the "Extension Periods"), pursuant to the following terms and conditions:

(A) Initial Extension Period. Prior to June 30, 1992, Buyer shall have the right to deliver to Seller a written request for extension in the form of Exhibit N attached hereto (the "Extension Notice") (but without setting forth paragraph 3 of the Extension Notice), if (1) a final decision has

not been rendered with respect to the Validation Suit notwithstanding Buyer's diligent, good faith efforts to prosecute the same and (2) there are no material defaults of Buyer hereunder of which Seller has notified Buyer in writing. .In such event the Closing Date shall be extended for a period of thirty (30) days after June 30, 1992 (the "Initial Extension Period").

(B) Subsequent Extension Periods. Prior to expiration of the Initial Extension Period (or the first Subsequent Extension Period, as hereinafter defined, as applicable), Buyer shall have the right to extend the Closing Date for two (2) consecutive periods of thirty (30) days each (the "Subsequent Extension Periods"), if (1) a final decision has not been rendered with respect to the Validation Suit notwithstanding Buyer's diligent good faith efforts and (2) there are no material defaults of Buyer hereunder of which Seller has notified Buyer in writing, by delivering to Seller an Extension Notice accompanied by payment by certified or cashier's check in the amount of Fifty Thousand Dollars (\$50,000) (the "Extension Fee") pertaining to each Subsequent Extension Period. In the event this transaction shall fail to close after expiration of the final Subsequent Extension Period, Buyer shall have no further rights or claims with respect to any Extension Fees paid by Buyer to Seller. Upon Closing all Extension Fees paid by Buyer shall be credited to the Cash Payment payable to Seller by Buyer pursuant to Section 4(b)(ii) above.

(b) Escrow. On or before May 15, 1992, Buyer and Seller shall establish an escrow account for the close of the sale of the Property (the "Escrow") at the office of Title Company. Upon Buyer's approval or waiver of Buyer's Conditions Precedent, the Additional Deposit shall be deposited in Escrow, and shall be subject to the bilateral control of Buyer and Seller.

(c) Buyer's Closing Conditions. Buyer's obligation to consummate the transactions contemplated in this Agreement shall be subject to all of the following conditions precedent (the "Buyer's Closing Conditions"):

(i) Covenants. Seller shall have performed in all material respects all of its covenants and obligations under this Agreement to be performed on or before the Closing Date.

(ii) Closing Deposits. Seller shall have deposited the following documents to be recorded into the Escrow, and delivered to Buyer the following unrecorded documents, as applicable:

(A) Deed. The Deed, duly executed, acknowledged and suitable for recording, conveying the Property to Buyer;

(B) Bill of Sale. The duly executed original bill of sale (the "Bill of Sale") transferring the Personal Property to Buyer in the form of Exhibit N attached hereto.

(C) Sales Notices. The duly executed original notices to tenants advising the tenants of Seller's sale of the Property to Buyer in the form of Exhibit Q attached hereto (the "Sales Notice").

(D) Leases. The duly executed original Leases and all amendments.

(E) Assignment of Leases. The duly executed original assignment of Seller's interest in the Leases and the security deposits thereunder (the "Assignment of Leases"), in the form of Exhibit P attached hereto.

(F) Asset Management Agreement. The duly executed original Asset Management Agreement.

(G) Additional Documents. Such other documents, including, without limitation, escrow instructions, as are required of Seller to close Escrow in accordance with this Agreement.

(H) Buyer's Quitclaim Deed. The Buyer's unrecorded Quitclaim Deed.

(I) Seller's Opinion. The duly executed original Seller's Opinion.

(J) Plans. All architectural drawings, construction plans and specifications, "as-built" records of the improvements, surveys, and test reports related to the Property in the Seller's possession.

(K) Title Insurance. Seller shall have paid, at Seller's expense, the premium for a standard owner's title insurance policy in the amount of the Purchase Price.

(d) Seller's Closing Conditions. Seller's obligation to consummate the transactions contemplated in this Agreement shall be subject to all of the following conditions precedent (the "Seller's Closing Conditions"):

(i) Covenants. Buyer shall have performed fully all of its covenants and obligations under this Agreement to be performed on or before the Closing Date.

(ii) No Material Adverse Changes to Financial Condition. No material adverse change shall have occurred with respect to Buyer's financial condition.

(iii) Closing Deposits. Buyer shall have deposited the following funds into the Escrow, and delivered to Seller the following unrecorded documents, as applicable:

(A) Cash Payment. Cash in the amount of the Cash Payment.

(B) Closing Costs. Additional cash in the amount necessary to pay all Closing Costs, as hereinafter defined, as set forth in Section 13 below.

(C) Assignment of Leases. The duly executed original Assignment of Leases.

(D) Asset Management Agreement. The duly executed original Asset Management Agreement.

(E) Additional Documents. Such other documents, including, without limitation, escrow instructions, as are required of Buyer to close the purchase in accordance with this Agreement.

(F) Buyer's Opinion. The duly executed original Buyer's Opinion.

(iv) Payoff of NYLIC Note. Seller shall have received NYLIC's written notice of its agreement to (1) accept Seller's payment in full satisfaction of the NYLIC Note, and (2) reconvey the NYLIC Mortgage upon such payment, pursuant to terms and conditions satisfactory to Seller, in Seller's sole discretion.

13. Closing Costs.

(a) Seller's Costs. Seller shall pay at Closing the following: (i) scheduled cost of the premium for a standard owner's title insurance policy for the Property, (ii) one-half of all escrow fees and costs (excepting recording fees), (iii) the Seller's share of Prorations set forth in Section 17 below, (iv) the Broker's commission and (v) all costs and expenses in connection with removing the Unacceptable Conditions from the Property pursuant to Seller's written notice thereof as provided in Section 8(b)(i) above.

(b) Buyer's Obligations. Buyer shall pay at Closing the following: (i) title insurance premiums for a COP Vendor's Policy; (ii) one-half of all escrow fees and costs, (iii) the cost of recording the Deed and other documents contemplated to be recorded in connection with the Closing; (iv) all of the real property transfer taxes and documentary transfer taxes payable upon recordation of the Deed (if any); (v) the cost of any endorsements and/or extended forms to the policies of title insurance to be issued by Title Company in connection with this

transaction; (vi) any sales, use and ad valorem taxes arising in connection with the Closing; (vii) all points, fees, or other costs to be paid in connection with the COP Agreement and the COP Statement; and (viii) Buyer's share of Prorations set forth in Section 17 below.

(c) Other Obligations. Buyer and Seller shall each pay its own legal and professional fees and the costs of other consultants, incurred by the Buyer and Seller, respectively.

14. Assignment. Except as set forth in this Section 14, Buyer shall have no right, power, or authority to assign this Agreement, or any portion hereof, or to delegate any duties or obligations arising hereunder, either voluntarily, involuntarily or by operation of law, without the prior written consent of Seller, which consent shall not be unreasonably withheld. Any permitted assignee shall succeed to all of the rights and obligations of Buyer hereunder and shall, for the purposes hereof, be substituted as, and be deemed to be, the buyer hereunder. Without waiver of the foregoing provisions, all of the rights, benefits, duties, liabilities, and obligations of the parties hereto shall inure to the benefit of, and be binding upon, their respective successors and assigns.

15. Notices. All notices required or permitted to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery, or by facsimile transmission followed by deposit in the U.S. Mail to the appropriate address indicated below or at such other place or places as either Buyer or Seller may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served four (4) days after the date of mailing thereof, if served by mail alone, or upon date of transmission if served by facsimile transmission followed by mailing.

To Seller: Marathon U.S. Realities, Inc.
595 Market Street, Suite 240
San Francisco, California 94105
Attn: Mr. James E. Christian
Telecopy No. (415) 995-5927

With Copy To: O'Melveny & Myers
Embarcadero Center West
275 Battery Street, 25th Floor
San Francisco, California 94111
Attn: Peter T. Healy, Esq.
Jeffrey M. Judd, Esq.
Telecopy No. (415) 984-8701

To Buyer: Multnomah County
Portland Building
1120 S.W. Fifth, 14th Floor

P.O. Box 14700
Portland, Oregon 97214
Attn: Mr. Henry Miggins
Laurence Kressel, Esq.
Telecopy No. (503) 248-3377

16. Possession. Right to possession of the Property shall transfer to Buyer at Closing, subject to the Leases.

17. Prorations. The following costs and revenues are to be prorated, or allocated between Buyer and Seller, as applicable, as of the Closing Date, as follows (collectively, the "Prorations"):

(a) Current Rent. Current rent under the Leases that has been collected prior to the Closing Date shall be prorated as of the Closing Date.

(b) Security Deposits. Security deposits paid by tenants pursuant to the Leases, and any interest required to be paid thereon as of the Closing Date, shall be fully credited to Buyer at Closing.

(c) Other Tenant Charges. Where the Leases contain tenant obligations for taxes, common area expenses, maintenance, utilities, assessments, or additional charges of any other nature (the "Tenant Charges"), and: (i) where Seller shall have collected any Tenant Charges thereof in excess of amounts owed by Seller for such Tenant Charges for the period prior to the Closing Date, there shall be an adjustment and credit given to Buyer for such excess amounts collected, Buyer shall apply all such excess amounts to the charges owed by Buyer for such items for the period after the Closing Date and, if required by the Leases, shall rebate or credit tenants with any remainder; and (ii) if, pursuant to the Leases, the tenants are required to pay any amounts to landlord in excess of the amounts paid by the tenants during the Lease year in which the Closing Date falls, Buyer shall pay to Seller the portion of any such amounts actually collected from the tenants as determined on the basis of a fraction thereof, the denominator of which shall be twelve (12) and the numerator of which shall be the number of months (or part thereof) in such Lease year prior to the Closing Date. Prorations for any partial months shall be calculated on a daily basis, using a 30-day month.

(d) Utility Charges. Seller shall cause the utility and water meters to be read on the Closing Date, and shall be responsible for the cost of all utilities and water used prior to that time, except to the extent such utility charges are billed to and paid by tenants directly.

(e) Other Prorations. Liability for all real property taxes, common area maintenance, Property operation expenses,

sales taxes, rental taxes, and other recurring costs, if any, shall be prorated as of the Closing Date.

(f) New Leases. The aggregate amount of (i) the total cost of all leasing commissions, rental inducements, moving expenses, tenant improvement costs and other direct expenses incurred and paid by Seller with respect to any Leases entered, extended, amended or renewed by Seller between February 1, 1992 and the Closing Date, (the "New Leases") shall be credited to Seller for the pro rata share pertaining to the portion of the term of such Lease remaining after the Closing Date, as compared with the total initial term of such Lease (the "New Lease Sum").

(g) Above Standard Base Rental. Seller shall receive a prorated credit for the present value of the contemplated future rents under each of the New Leases for amounts in excess of the Proforma Rent, as defined in the Minimum Leasing Standards attached hereto as Exhibit L, based upon a discount rate of ten percent (10%). Seller's credit hereunder shall be for the pro rata share of the discounted present value pertaining to the portion of the applicable Lease term after the Closing Date, as compared with the total initial term of such Lease, excluding any unexercised optional renewal terms (the "Above Standard Base Rental Sum").

(h) Committed Future Tenant Improvement. Buyer shall receive a prorated credit for the discounted present value of tenant improvements required to be constructed or installed by the landlord after the Closing Date under the terms of Leases, which costs have not been paid by the Seller as of the Closing Date, based upon a discount rate of ten percent (10%). Buyer's credit hereunder shall be for the pro rata share of the discounted present value pertaining to the portion of the applicable Lease term prior to the Closing Date, as compared with the total initial term of such Lease (the "Future Improvement Sum").

(i) Disputed Prorations. The Prorations referenced in this Section 17, including, without limitation, the New Lease Sum, the Above-Standard Base Rental Sum, and the Future Improvement Sum to the extent such Prorations are not agreed upon by Buyer and Seller at least five (5) days prior to the Closing Date, shall be determined prior to the Closing Date by the Arbiter, as hereinafter defined, pursuant to the procedures set forth in Section 19(1) below.

(j) Preliminary Closing Adjustment. Seller and Buyer shall jointly prepare a preliminary closing adjustment computation on the basis of the Leases and other sources, and shall deliver such computation to the Title Company prior to Closing.

(k) Post-Closing Reconciliation. All items described in this Section 17 that are capable of being prorated as of the Closing Date, shall be prorated as of the Closing Date. All other items shall be reconciled within ninety (90) days after the Closing Date to the extent that such items may be reconciled within such ninety (90) day period, or, to the extent such items may not be reconciled within such ninety (90) day period, when such items may first be reconciled after Closing.

(l) Survival. The provisions of this Section 17 shall survive the Closing and recordation of the Deed for an unlimited period.

18. Price Waterhouse Lease Buyout. Price Waterhouse ("PW") is currently the tenant under that certain lease dated as of March 14, 1980 (the "PW Lease") pertaining to certain space at the Property consisting of approximately sixteen thousand one hundred thirty (16,130) square feet of area on the 17th story and approximately three thousand four hundred ninety-three (3,493) square feet of area on the 16th story (collectively, the "PW Space"). Although as of the Effective Date, PW is not physically in occupancy of the PW Space, PW has continued to pay rent and exercise dominion and control over the PW Space.

(a) Pre-Closing. In the event prior to the Closing Date PW abandons the PW Space pursuant to an agreement whereby PW and Seller, as landlord, terminate the lease by agreement (the "PW Buyout Agreement"), Seller shall receive any and all funds to be paid by PW pursuant to such PW Buyout Agreement.

(b) Post-Closing. For a period of one (1) year after the Closing Date, in the event PW abandons the PW Space pursuant to a PW Buyout Agreement between PW and Buyer, as landlord (irrespective of when any funds are to be paid by PW to Buyer), Buyer hereby agrees to pay to Seller, within five (5) days after receipt of funds by Buyer, an amount equal to fifty percent (50%) of any amount to be paid to Buyer by PW pursuant to a PW Buyout Agreement.

(c) Parties' Responsibilities. With respect to the proposed buyout of the PW Lease, (i) Buyer shall not interfere with Seller's negotiations thereof with PW during the period prior to the Closing Date; and (ii) Seller shall not interfere with Buyer's negotiations thereof with PW during the period after the Closing Date, provided, however, Buyer shall keep Seller informed of the status of this matter from time to time and copy Seller on any correspondence (including, without limitation, offers and counteroffers) bearing on this matter.

19. Miscellaneous Provisions.

(a) Attorney's Fees. If any suit or action be instituted to enforce the rights of either party under this

Agreement, the losing party shall pay to the prevailing party reasonable attorneys' fees and court costs.

(b) Time. Time is of the essence of this Agreement and every provision herein contained.

(c) Headings. The title and headings of the Sections hereof are intended solely for means of reference and are not intended to modify, explain or place any construction on any of the provisions of this Agreement.

(d) Survival. All representations, warranties, and covenants contained in Sections 7 and 8 hereinabove, shall survive the close of Escrow and the recordation of the Deed.

(e) Modification. This Agreement may not be modified, amended or otherwise changed in any manner except by a writing executed by the party to be charged. To the extent there is any conflict between the terms and conditions of this Agreement and the terms and conditions of any loan documents relating to the Property, as they relate to rights and obligations between Buyer and Seller, the terms and conditions of this Agreement shall be deemed controlling.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

(g) Counterparts. This Agreement may be signed in counterparts by each of the parties hereto.

(h) Construction. Each party participated in the preparation of this Agreement personally and with the benefit of counsel. If this Agreement is ever construed by a court of law or equity, such court shall not construe this Agreement or any provision hereof more harshly against any party as drafter.

(i) [Intentionally Deleted]

(j) Concurrent Marketing Efforts. Buyer hereby acknowledges and agrees that (i) prior to Closing, Seller shall have the right to market the Property to third parties and accept back-up offers therefor that permit such third parties to undertake due diligence review at any time prior to Closing, and (ii) in the event the transaction contemplated in this Agreement shall fail to close on the Closing Date (as it may be extended pursuant to Section 12(a)(i) above) for any reason whatsoever, Seller shall have the right to transfer the Property to such third party at any time after the Closing Date.

(k) Term of Offer. This Agreement has been executed first by Seller as a continuing offer to sell the Property, subject to and conditioned upon the terms and conditions

contained in this Agreement, which offer shall be open for acceptance by Buyer until 5:00 p.m (western standard time) on April 3, 1992, at which time the offer shall be deemed to be withdrawn.

(1) Resolution of Disputes Respecting Prorations. On or before the date which is seven (7) days prior to the Closing Date, Seller shall have delivered to Buyer in writing Seller's good faith determination of the Prorations. In the event Buyer disputes in good faith the mathematical accuracy of the Prorations (the "Prorations Dispute") and Buyer and Seller are unable to agree on a resolution of such Prorations Dispute on or before the date which is five (5) days before the Closing Date, then the Prorations Dispute shall be submitted to the Major Projects Officer at the Title Company (the "Arbiter") for a final, binding and nonappealable judgment thereon, pursuant to the following procedure:

(i) Proration Calculations. On or before the date which is four (4) days prior to the Closing Date, Buyer and Seller shall each deliver to the Arbiter a written description not to exceed five (5) pages of 28-line pleading paper, of each party's Adjustment calculation and the arguments in support thereof, along with any written evidence supporting such arguments.

(ii) Arbiter's Judgment. On or before the date which is two (2) days prior to the Closing Date, the Arbiter shall have read and considered the written arguments pertaining to the Adjustment Dispute submitted by the parties (and any written evidence in support thereof deemed by the Arbiter, in his (or her) sole discretion, to be relevant thereto), and shall render in writing a final judgment (the "Arbiter's Judgment"), which judgment shall be final, binding and not appealable. The Arbiter's Judgment shall (1) indicate only the amount determined by the Arbiter to be appropriate with respect only to the Prorations in dispute, (2) not set forth any of the Arbiter's reasoning in arriving at such judgment, and (3) be no greater, or less, than the Adjustment amounts calculated by the parties and set forth in their respective written arguments.

[remainder of page left blank intentionally]

(iii) Buyer and Seller shall bear equally the cost of the Arbiter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

"Seller"

MARATHON U.S. REALTIES, INC., a
Delaware corporation

By _____

Its _____

"Buyer"

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

By Board of County Commissioners,
Multnomah County, Oregon

Approved as to form
for Buyer:

By _____
Multnomah County Chair

Laurence Kressel
County Counsel for
Multnomah County, Oregon

EXHIBIT A

LAND

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 11, CITY OF PORTLAND,
EXCEPT the West 5 feet of Lots 5, 6, 7 and 8 in S.W. Second
Avenue, in the City of Portland, County of Multnomah and State of
Oregon.

EXHIBIT B

LEASES

Tenant Name

1. United Parcel Service
2. Pacific Maritime Associates
3. Piper, Jaffray & Hopwood
4. Mitchell, Lang & Smith
5. Marathon U.S. Realties, Inc.
6. Gerald Sullivan & Associates
7. Milliman & Robertson
8. Quik Print, Inc.
9. Cookie Cabana
10. Russel's
11. B.T.M., Inc.
12. C. Vanderhey/Style on 2nd
13. First Interstate Bank
14. Senator Robert Packwood
15. Tricom Shipping Agencies, Inc.
16. Toyo Creative Services
17. Gross, Canfield & Horton
18. DBC Advertising, Inc.
19. Babcock & Wilcox
20. Glenn Bolam
21. Bassett, Varnes & Yeager
22. N.W. Educational Lab
23. Joseph, Babener & Carpenter
24. Haglund & Kirtley

25. Diantha Knott & Associates
26. Fireman's Fund Insurance
27. Congress Financial Corporation
28. PNUCC
29. GGS Investment, Ltd. (GGS Oregon, Inc.)
30. Mid-Columbia PUD
31. Litchfield Consulting
32. Doug Bean & Associates
33. Capital Realty
34. Merit Steamship Agency
35. Dellette, Smith-Hill & Bedell
36. Ball, Janik & Novack
37. Becker, Hunt & Hess
38. Industrial Indemnity
39. Howe, Harris & Vigna
40. Iihara USA Corporation
41. Cappelli, Miles, Wiltz & Keller
42. Steve Stiles
43. Bates Private Capital
44. Capital Realty Corporation
45. Foster, Pepper & Shefelman
46. Bank of America
47. Christopher James
48. Connecticut General
49. Price Waterhouse
50. Esler, Stevens & Buckley

EXHIBIT C

PERSONAL PROPERTY

To be completed by Seller

EXHIBIT D

DEED

MARATHON U.S. REALTIES, INC., a Delaware Corporation, Grantor, conveys and warrants to MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantee, the following described real property free of encumbrances except as specifically set forth herein:

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 11, CITY OF PORTLAND, EXCEPT the West 5 feet of Lots 5, 6, 7 and 8 in S.W. Second Avenue, in the City of Portland, County of Multnomah and State of Oregon.

SUBJECT TO: (Include exceptions when determined.)

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

The true consideration for this conveyance is \$25,200,000.

Dated this ____ day of ____, 1992.

MARATHON U.S. REALTIES, INC., a Delaware corporation,

By: _____
Its: _____

[NOTARY ACKNOWLEDGEMENT AS REQUIRED FOR EXECUTION
BY SELLER IN TORONTO, CANADA]

EXHIBIT E

CONFIDENTIALITY AGREEMENT



GLADYS McCOY, Multnomah County Chair

Room 1410, Portland Building
1120 S.W. Fifth Avenue
Portland, Oregon 97204
(503) 248-3308

February 21, 1992

Mr. James E. Christian
Marathon U.S. Realities, Inc.
595 Market Street, Suite 2430
San Francisco, California 94105

Re: One Main Place
Portland, Oregon
the "Project"

Dear Mr. Christian:

Multnomah County is negotiating with Marathon U.S. Realities, Inc. ("Marathon") for the purchase of the Project. In connection with the County's potential acquisition of the Project, and Marathon's potential sale the County desires to conduct an appraisal of the Project, determine its financial feasibility, and review business records in Marathon's possession bearing on the Project.

I understand Marathon has requested that the County strictly maintain the confidentiality of certain documents and information bearing on the Project. Marathon is concerned that its business interests might be harmed by disclosure of some documents.

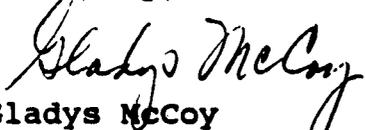
I wish to assure you that the County will attempt to accommodate Marathon's interest in confidentiality to the extent we can. Within my administration, we will minimize distribution of documents Marathon marks as sensitive. Only persons in the administration who need the documents in order to prepare reports for Board consideration will receive them. A planned list of those persons is attached to this letter (Attachment "A"). Further, unless extraordinary requests are made by the Board or others, we will follow our usual procedure of preparing staff reports that condense and summarize information culled from the building owner's documents, rather than include the documents themselves (see Attachment "B" for an example). Finally, we will conduct preliminary discussions about the Project with the Board of Commissioners in executive session only, as is our normal practice. (The press can attend but not report on matters taken up in executive session under Oregon Law).

Mr. James E. Christian
February 21, 1992
Page Two

While none of the above is, or can be, an ironclad guarantee of strict confidentiality, it is assurance from me that we will make best efforts to respect Marathon's concerns. From our conversations, I trust this will be sufficient to permit negotiations to go forward.

As I understand it, the next step is for Marathon to provide the necessary documents to my staff, including a draft earnest money agreement or similar form. Please forward these as soon as possible to Mr. Bob Oberst of our Facilities Management Division. We will respond as quickly as time and the nature of this undertaking permit.

Sincerely,


Gladys McCoy
Chairman of the Board

cc: Board of Commissioners

G:\WP51\FILES\ONEMAIN\st

ADMINISTRATION DISTRIBUTION LIST

1. County Chair's Office

- a. Gladys McCoy
- b. H.C. Miggins

2. Facilities and Property Management

- a. F. Wayne George
- b. Craig Calkins
- c. James Emerson
- d. Robert Oberst

3. Finance

- a. David Boyer
- b. David Warren

4. Legal Counsel

- a. Office of County Counsel
- b. Howard Rankin, Rankin, Vavrosky, et al (Bond Counsel)

ATTACHMENT "A"

EXHIBIT "B"

Illustrative Summary Reports

Multnomah County, Oregon
Building Data

| | |
|--|------------------|
| Total rentable space..... | 120,000 sq feet |
| Current vacant space..... | 12,000 sq feet |
| Current vacancy rate..... | 10% |
| (Vacancy does not include lease space not being used) | |
| Current lease revenue bldg. (includes expense escalations).... | \$1,559,000 |
| Current average space rental per sq foot..... | \$14.00 |
| Current parking spaces..... | 197 |
| Current parking revenue..... | \$240,000 |
| Current Expenditures..... | \$780,000 |
| COP Taxable issue (estimates) | |
| Purchase price..... | \$12,000,000 |
| Issue costs & discounts..... | 260,000 |
| Tennant Improvements..... | 2,325,000 |
| Reserve fund..... | <u>1,620,000</u> |
| | \$16,235,000 |
| Annual debt payment (estimate)..... | \$1,620,000 |
| Estimated interest rate (estimate)..... | 8.75% |

EXHIBIT I

1. Charging Commercial current rate of \$14.00 per sq foot.
2. Charging County programs \$14.00 per sq foot.
3. Vacancy rate at 10%.
4. Lease increases 1% per year for Operations & Maintenance only. (Revenue)
5. Operations and Maintenance expenses increased 3.5%. (Expenses)

METROPOLITAN COUNTY GOVERNMENT
BUILDING FINANCIAL ANALYSIS
 20 YEAR ISSUE

| | | IN (000) | | | | | | | | | | | | | | | | | | |
|---------------------------|-------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| Year # | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | | | | | |
| Fiscal Year | | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | | | | | | | | | |
| REVENUES: | | | | | | | | | | | | | | | | | | | | |
| Commercial Space Rev | | 931 | 940 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | |
| Commercial Parking Rev | | 236 | 239 | 241 | 243 | 246 | 248 | 251 | 253 | 256 | 258 | | | | | | | | | |
| Int Revenue | | 126 | 191 | 182 | 138 | 123 | 127 | 156 | 131 | 139 | 148 | | | | | | | | | |
| County Space Rev | | 581 | 593 | 1,103 | 1,748 | 1,766 | 1,783 | 1,801 | 1,819 | 1,837 | 1,856 | | | | | | | | | |
| County Parking Rev | | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 11 | 11 | | | | | | | | | |
| COP Proceeds | | 16,235 | | | | | | | | | | | | | | | | | | |
| Reserve Proceeds | | | | | | | | | | | | | | | | | | | | |
| Leasing Proceeds | | | 190 | | 0 | | 375 | | | | | | | | | | | | | |
| Total Revenues | | <u>18,119</u> | <u>2,163</u> | <u>1,987</u> | <u>2,140</u> | <u>2,145</u> | <u>2,544</u> | <u>2,218</u> | <u>2,214</u> | <u>2,243</u> | <u>2,273</u> | | | | | | | | | |
| EXPENSES: | | | | | | | | | | | | | | | | | | | | |
| Oper & Maint Buildg | | 662 | 681 | 594 | 470 | 473 | 476 | 478 | 480 | 482 | 483 | | | | | | | | | |
| COP Issue costs | | 260 | | | | | | | | | | | | | | | | | | |
| Debt Service | | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | 1,620 | | | | | | | | | |
| Moving expenses | | 150 | | 150 | 75 | | 0 | 0 | | | | | | | | | | | | |
| Major repairs/tenant imp | | 800 | | 300 | 200 | | 0 | 500 | | | 500 | | | | | | | | | |
| Building Purch | | 12,000 | | | | | | | | | | | | | | | | | | |
| Deduct reserves | | 1,620 | | | | | | | | | | | | | | | | | | |
| Total Expenses | | <u>17,112</u> | <u>2,301</u> | <u>2,664</u> | <u>2,365</u> | <u>2,093</u> | <u>2,096</u> | <u>2,598</u> | <u>2,100</u> | <u>2,102</u> | <u>2,603</u> | | | | | | | | | |
| Net Income (loss) | | <u>1,007</u> | <u>(138)</u> | <u>(678)</u> | <u>(225)</u> | <u>52</u> | <u>448</u> | <u>(380)</u> | <u>114</u> | <u>141</u> | <u>(330)</u> | | | | | | | | | |
| Beginning Fund equity | | | 1,007 | 868 | 191 | (34) | 18 | 466 | 86 | 200 | 341 | | | | | | | | | |
| Ending Fund equity | | <u>1,007</u> | <u>868</u> | <u>191</u> | <u>(34)</u> | <u>18</u> | <u>466</u> | <u>86</u> | <u>200</u> | <u>341</u> | <u>11</u> | | | | | | | | | |
| ASSUMPTIONS: | | | | | | | | | | | | | | | | | | | | |
| Rental Space | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet | Rate | SQ Feet |
| Commercial | 14.00 | 66,500 | 14.14 | 66,500 | 14.28 | 31,500 | 14.42 | 0 | 14.57 | 0 | 14.71 | 0 | 14.86 | 0 | 15.01 | 0 | 15.16 | 0 | 15.31 | 0 |
| County | 14.00 | 41,500 | 14.14 | 41,500 | 14.28 | 76,500 | 14.42 | 120,000 | 14.57 | 120,000 | 14.71 | 120,000 | 14.86 | 120,000 | 15.01 | 120,000 | 15.16 | 120,000 | 15.31 | 120,000 |
| Vacancy at | 10.0% | 12,000 | | 12,000 | | 12,000 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |
| Total | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> | | <u>120,000</u> |
| Parking Rev | | | | | | | | | | | | | | | | | | | | |
| Commercial | 1,250 | 189 | 1,263 | 189 | 1,275 | 189 | 1,288 | 189 | 1,301 | 189 | 1,314 | 189 | 1,327 | 189 | 1,340 | 189 | 1,354 | 189 | 1,367 | 189 |
| County | 1,250 | 8 | 1,263 | 8 | 1,275 | 8 | 1,288 | 8 | 1,301 | 8 | 1,314 | 8 | 1,327 | 8 | 1,340 | 8 | 1,354 | 8 | 1,367 | 8 |
| Total | | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> | <u>197</u> |
| Property taxes | | 341 | 353 | 365 | 378 | 391 | 405 | 419 | 434 | 449 | 465 | | | | | | | | | |
| Prop Tax County Reduction | | 118 | 122 | 233 | 378 | 391 | 405 | 419 | 434 | 449 | 465 | | | | | | | | | |
| Lease Increases | 1.00% | | | | | | | | | | | | | | | | | | | |
| Expense Increases | 3.50% | | | | | | | | | | | | | | | | | | | |

EXHIBIT F

ASSET MANAGEMENT AGREEMENT

ASSET MANAGEMENT AGREEMENT
(One Main Place)

Owner: **MULTNOMAH COUNTY, a municipal corporation and
political subdivision of the State of Oregon**

Manager: **MARATHON U.S. REALTIES, INC.,
a Delaware corporation**

Date: **June __, 1992**

BASIC INFORMATION SHEET
(One Main Place)

The following Basic Information is hereby incorporated into the Asset Management Agreement as though set out in full therein:

1. Construction Management Fee:

ten percent (10%) of the Tenant Improvement Costs, as hereinafter defined
2. Intentionally Deleted
3. Effective Date: June __, 1992 (or Closing Date, as that term is defined in the Purchase Agreement, as hereinafter defined, if after June, 1992)
4. Management Fee:

5% of Tenant Rent, as hereinafter defined, during the initial year of the term; 3% of Tenant Rent thereafter for the following two (2) years and any renewal terms thereafter
5. Manager: MARATHON U.S. REALTIES, INC., a Delaware corporation, or affiliate thereof
6. Manager's Address:

Marathon U.S. Realities, Inc.
595 Market Street, Suite 2430
San Francisco, California 94105
Attn: Mr. James E. Christian

Marathon U.S. Realities, Inc.
101 S.W. Main Street
Portland, Oregon 97204
Attn: Michael Watson
7. Manager's FAX Number: (415) 995-5927
8. Manager's Telephone Number: (415) 495-8270
9. Owner: MULTNOMAH COUNTY, a political subdivision of the State of Oregon

10. Owner's Address:

Multnomah County
One Main Place
Portland, Oregon 97202
Attn: Mr. Robert Oberst

11. Owner's FAX Number: (503) 248-3377

12. Owner's Telephone Number: (503) ____-____

13. Principal Contact: _____

14. State: Oregon

15. Termination Date: June 30, 1995 (or last day of
the 36th month after the
Effective Date, if Effective
Date occurs after June, 1992)

16. Dragnet Period: One hundred eighty (180) days
after termination of this Agreement.

ASSET MANAGEMENT AGREEMENT

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EXHIBITS

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Exhibit B Basic Documents

Exhibit C Management Guidelines

Exhibit D Building Account Rules

Exhibit E Minimum Leasing Standards

ASSET MANAGEMENT AGREEMENT
(One Main Place)

THIS ASSET MANAGEMENT AGREEMENT ("Agreement") is made as of the Effective Date by and between Owner and Manager.

OWNER AND MANAGER ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. Owner is the owner of that certain real property more particularly described in Exhibit A attached hereto (the "Property").

B. Manager, as seller, and Owner, as buyer, entered that certain Agreement of Purchase and Sale dated as of June __, 1992, with respect to the Property (the "Purchase Agreement"). In connection therewith, the parties thereto agreed, and the parties hereto agree, that Manager, as seller, would not have entered the Purchase Agreement with Owner, as buyer, but for Owner's willingness to enter this Agreement and fulfill its obligations hereunder;

C. As former owner of the Property prior to the Effective Date, Manager has operated the Property as an owner and, as such, has not obtained any license to provide leasing or management services. Notwithstanding the foregoing, in connection with the performance of its obligations hereunder, Manager shall obtain such license or licenses, for itself, its employees and/or its agents, as applicable, as may be required to comply with all applicable laws respecting the providing of leasing and property management services to third parties.

D. Owner wishes to retain the services of Manager as manager of the Property with responsibilities for (i) managing, operating, maintaining and servicing the Property, and (ii) the performance on behalf of Owner relating thereto as landlord under all present and future leases and other related contracts having effect during the term of this Agreement, at the Property, as set forth on Exhibit B attached hereto (collectively the "Basic Documents");

E. Owner desires to grant to Manager the exclusive agency listing to lease space at the Property (the "Premises"), as such space becomes available from time to time during the term of this Agreement, and Manager agrees to use commercially reasonable efforts to lease the Premises, upon all of the terms, covenants and conditions herein set forth; and

F. Manager is willing to perform such services with regard to the management, operation, maintenance, leasing and servicing

of the Property and obligations of Owner under the Basic Documents relating thereto;

NOW THEREFORE, in consideration of the foregoing and of the full and faithful performance by Manager and Owner of all the terms, conditions and obligations imposed upon Manager and Owner hereunder, the parties hereto agree as follows:

1. Appointment of Manager. Owner hereby appoints Manager as manager and exclusive leasing broker of the Property with the responsibilities and upon the terms and conditions set forth herein, and Manager does hereby accept such appointment.

2. Management Services of Manager.

2.1 Orientation. Manager hereby acknowledges that it has possession of the books and records delivered to it by Owner respecting the operation of the Property, personal property on the Property belonging to Owner, and all service contracts relating to the maintenance and operation of the Property.

2.2 Management of the Property. Manager shall devote commercially reasonable efforts as manager of the Property, and shall perform its duties hereunder substantially in conformity with the management guidelines (the "Management Guidelines") set forth in Exhibit C attached hereto.

2.3 Use and Maintenance of the Property. Manager agrees to use commercially reasonable efforts to prevent the use of the Property for any purpose which might be in violation of any tenant lease.

2.4 Specific Duties of Manager. Manager shall have the following duties and perform the following services, but only to the extent such funds are made available to Manager by Owner for the performance of such duties and obligations:

2.4.1 Monies Collected. Manager shall use commercially reasonable efforts to collect all rent and other payments due from tenants in the Property and any sums otherwise due Owner with respect to the Property in the ordinary course of business. Owner authorizes Manager to request, demand, collect and receive all such rent and other charges. Manager may not terminate any lease, lock-out a tenant, or engage counsel or institute suit for rent or for use and occupancy, or any proceedings for recovery of possession, without the prior written approval of Owner. All monies collected by Manager shall be deposited in the zero-balance bank account established by Owner in the Owner's name for such purpose (the "Building Account"), having such signatories and in a bank of Owner's selection.

2.4.2 Obligations Under Basic Documents.

Manager shall use commercially reasonable efforts to perform and comply with all of the obligations, terms and conditions required to be performed or complied with by Owner under the Basic Documents relating to management, operation, maintenance and servicing of the Property, including, without limitation, the timely payment of all sums required to be paid thereunder, to the extent Owner makes funds available for payment. From the Building Account, Manager shall pay all ordinary or necessary expenses contemplated in the Annual Budget, as hereinafter defined, including, without limitation; the Management Fee (pursuant to the terms of Section 4.2 below), but excluding those items as Owner may designate in writing from time to time (the "Excluded Expenses"), the invoices for which Manager shall promptly forward to Owner for payment by Owner directly. Manager's use of the Building Account, and transfers therefrom, shall be subject to the written rules established by Owner as set forth in Exhibit D attached hereto, as reasonably modified by Owner from time to time (the "Building Account Rules").

2.4.3 Repairs and Maintenance. Manager shall use commercially reasonable efforts to make, or cause to be made, all repairs and perform, or cause to be performed, all maintenance on the building, appurtenances and grounds of the Property as required to be made by Owner under the Basic Documents.

2.4.4 Equipment and Supplies. Manager shall use commercially reasonable efforts to make all arrangements for the furnishing to the Property of utility, maintenance and other services and for the acquisition of equipment and supplies as necessary for the management, operation, maintenance and servicing of the Property as required by Owner under the Basic Documents.

2.4.5 Tax Assessments. Manager shall use commercially reasonable efforts to keep Owner informed of any change in the amount of real or personal property assessments or taxes relating to the Property.

2.4.6 Owner's Insurance Coverage. During the term of this Agreement, and any extensions or renewals thereof, Owner shall maintain (or self insure, at its election) public liability insurance, comprehensive general liability insurance, fire and extended coverage insurance, and burglary and theft insurance, in commercially reasonable amounts, and naming Manager as an additional insured.

2.4.6.1 Manager's Assistance. If requested by Owner, Manager shall use commercially reasonable efforts to cause to be placed and kept in force all forms of insurance required by law or otherwise requested by Owner, including, but

not limited to, public liability insurance, fire and extended coverage insurance and burglary and theft insurance. All insurance coverage shall be placed with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Owner and otherwise be in conformity with the requirements of the Basic Documents. Should Owner elect to place such insurance coverage directly, Owner shall provide Manager with a duplicate copy of the original policy. If any tenant lease requires that such tenant maintain any insurance coverage, Manager shall use commercially reasonable efforts to obtain insurance certificates annually (or such other period required by the terms of the tenant leases) from each such tenant and review the certificates for compliance with the lease terms. Manager shall promptly investigate and submit a written report to the insurance company, with a copy to Owner, as to all accidents, claims or damage relating to the ownership, operation and maintenance of the Property, any damage or destruction to the Property and the estimated cost of repair thereof, and shall prepare reports reasonably required by any insurance company in connection therewith. Manager shall have no right to settle, compromise or otherwise dispose of any claims, demands or liabilities covered by insurance, without the prior written consent of Owner.

2.4.7 Manager's Insurance. Manager shall maintain worker's compensation insurance coverage for all of Manager's non-exempt employees performing activities pursuant to and in satisfaction of this Agreement, either as an insured pursuant to a worker's compensation insurance policy, or self-insured employer, as provided in Chapter 656 of Oregon Revised Statutes. A copy of such worker's compensation policy, or certificate indicating coverage under a current worker's compensation insurance policy or qualification as a self-insured employer shall be delivered to Owner prior to commencement by Manager or its employees of any activities under or pursuant to this Agreement.

2.4.7.1 Renewal. In the event Manager's worker's compensation insurance coverage shall expire prior to expiration or termination of this Agreement, Manager shall renew or replace such worker's compensation insurance coverage and deliver to Owner satisfactory evidence indicating such renewal or replacement prior to expiration of such insurance coverage.

2.4.8 Personnel. Manager shall employ such personnel as employees of Manager or its affiliates or assignees, and not of Owner, as Manager may determine are necessary in order to perform its obligations hereunder.

2.4.9 Other Services. Manager may (but is not required to do so) provide minor services (such as, by way of example, moving of furniture, minor repairs and installation of

equipment) as an accommodation to tenants from time to time, in addition to the above, for which a separate charge to tenants may be made; provided, however, Manager's activities under this Section 2.4.9 shall not interfere with or prevent Manager from providing to Owner the management services required under and pursuant to this Agreement.

2.4.10 Compliance with Laws. Manager shall, upon Owner's written direction in each instance and at Owner's expense, take such action as may be necessary to comply with all federal, state and local laws and regulations, and all orders or requirements affecting the Property by a federal, state, county or municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies.

2.4.11 Notices. Manager shall promptly deliver to Owner all written notices received by it from any mortgagee, tenant or other party to any of the Basic Documents given pursuant thereto or pertaining thereto and all written notices from any governmental or official entity to the extent such written notices bear on Owner's or such other parties' default under any of the Basic Documents.

2.4.12 Cooperation. Should any claims, demands, suits or other legal proceedings be made or instituted by any third party against Owner which arise out of any matters relating to the Property or this Agreement or Manager's performance hereunder, Manager shall give Owner all pertinent information and commercially reasonable assistance in the defense or other disposition thereof; provided, however, in the event the foregoing requires Manager to incur any costs or expenses, Owner shall pay for any such costs and expenses upon written demand therefor (accompanied by documentation evidencing such costs).

2.4.13 Tenant Improvements.

(a) Tenant Improvement Oversight Duties. In connection with the leasing of the Property, Manager shall oversee the construction of tenant improvements (the "Tenant Improvement Work") at the Property on Owner's behalf, and pursuant to the terms and conditions hereof (the "Tenant Improvement Oversight Duties"). In the event that Manager enters any contract with third parties in the performance of Tenant Improvement Oversight Duties for, without limitation, the design, procurement, construction and installation of the tenant improvements, the costs thereof shall be borne solely by Owner; provided, however, all such contracts and the costs set forth therein shall be subject to Owner's prior written approval in each instance. Manager shall not act as a contractor, subcontractor, architect or construction manager with respect to any such Tenant Improvement Work, but shall limit its activities

to Tenant Improvement Oversight Duties pursuant to the standards set forth in Section 2.4.12(b)(iv) below.

(b) Construction of Tenant Improvements.

(i) Document Approval. After execution of any tenant lease, but prior to commencement of any Tenant Improvement Work, where pursuant to the applicable lease Owner is responsible therefor, Manager shall deliver to Owner for Owner's approval, the following, as applicable: (A) the proposed contract with the architect or designer for the design of such Tenant Improvement Work at the Property, (B) the plans and specifications for such Tenant Improvement Work at the Property (the "Plans"), (C) the proposed construction management contract or construction contract (either of which shall be hereinafter referred to as the "construction contract"), with the construction manager or contractor (either of which shall hereinafter be referred to as the "contractor"), respectively, (D) all required permits and licenses for such Tenant Improvement Work at the Property, to the extent such permits are then obtainable, and (E) if requested by Owner, payment and performance bonds (endorsed from time to time to reflect change orders approved as provided herein) for the contractor, or the major subcontractors if a construction manager is used, in an amount equal to the total cost of the construction contract or subcontracts, as the case may be, (collectively, the "Tenant Improvement Documents"). In the event Owner has failed to approve, or denies its approval, in writing, with respect to any one of the Tenant Improvement Documents within ten (10) days after receipt that Tenant Improvement Document, Owner shall be deemed to have approved such Tenant Improvement Document; provided, however, Owner shall use commercially reasonable efforts to review and respond to Tenant Improvement Documents as soon after receipt thereof as is reasonably practicable. In instances where the tenant is to construct its own tenant improvements and be reimbursed by the landlord, Manager shall deliver to Owner such plans, specifications, permits, approvals, etc. as is required to be provided by the tenant under its lease.

(ii) Fees. Manager shall use commercially reasonable efforts to perform the following with respect to its Tenant Improvement Oversight Duties: attending important space planning meetings; assisting in supervising completion deadlines; assisting in obtaining and evaluating bids from prospective general contractors; assisting in hiring the architect and general contractors; assisting in administering the construction contract; assisting in reviewing and approving the billing requests; assisting in supervising the construction process; and assisting in determining that relevant construction permits, approvals and certificates of occupancy have been obtained. Owner shall pay Manager a fee equal to nine percent (9%) of the total billings pertaining to the Tenant Improvement

Work, which has been approved (or deemed approved, as applicable) by Owner pursuant to Section 2.4.13(b)(i) above, whether or not paid by Owner, as landlord, reimbursed to Owner by tenant, or paid by tenants directly (including without limitation, the total of all billings of contractors, subcontractors, suppliers, architects, space planners and others, including without limitation, all hard and soft costs) (collectively, the "Tenant Improvement Oversight Fee"). In the event Owner shall occupy Premises at the Property and perform space design and other work with respect to Tenant Improvement Work for such owner-occupied premises using Owner's personnel (the "Owner-Designed Tenant Improvements"), the basis for determining the Tenant Improvement Oversight Fee pertaining to such Owner-Designed Tenant Improvements shall be the billings of third parties providing services or supplies to Owner, including, without limitation, contractors, subcontractors, suppliers, engineers and architects, pertaining to the design, engineering, construction and construction management of such Owner-Designed Tenant Improvements. The Tenant Improvement Oversight Fee shall be paid by Owner to Manager within thirty (30) days after Manager's delivery to Owner of an invoice therefor, together with supporting documentation. Any portion of the costs of the Tenant Improvement Work which is not liquidated at a particular point in time shall be paid promptly by Owner to Manager within thirty (30) days after the costs of that portion of the Tenant Improvement Costs are liquidated.

(iii) Licenses and Permits. Manager shall use commercially reasonable efforts to verify that contractor has obtained and paid for all permit and license fees with respect to the Tenant Improvement Work.

(iv) Standards and Completion. Owner acknowledges that Manager is not an architect or an engineer and that the Tenant Improvement Oversight Duties, including, without limitation, the following duties, of Manager shall be held to the standard of professional property managers and not architects or engineers. Manager shall use commercially reasonable efforts to cause contractors to (i) promptly pay and discharge all valid claims and liens for labor done and materials and services furnished, or (ii) promptly post appropriate security to release the Property from the effect of any liens claimed for work or materials in dispute. Manager shall use commercially reasonable efforts to monitor the status of the completion of the Tenant Improvement Work relative to the schedules set forth in the applicable tenant leases.

(v) Changes in Plans. All material changes in Plans shall be the subject of a written change order ("Change Order") to the construction contract setting forth the change in scope of the work, the change in the price of the work and/or the change in the time provided for the completion of the

work. All such Change Orders shall be approved by Owner, which approval shall not be unreasonably withheld or delayed. In the event Owner shall fail to approve, or deny approval to, a Change Order within three (3) days after receipt thereof, Owner shall be deemed to have approved such Change Order. Upon the Owner's approval (whether given or deemed given), Manager shall be authorized to sign such approved Change Orders to bind Owner thereto.

(vi) Inspection of Work. Owner and/or its agents and representatives may enter the Property during construction for purposes of inspecting the Tenant Improvement Work. Upon reasonable prior notice, Manager shall make available to Owner all drawings, specifications, and Change Orders for review at the site or at such other location as Owner may reasonably designate.

(vii) Contractors' Insurance. Unless instructed in writing by Owner to require other insurance, Manager shall use commercially reasonable efforts to cause the contractor to maintain commercial general liability insurance during construction of Tenant Improvement Work of not less than One Million Dollars (\$1,000,000) per event, One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) for property damage, with additional coverage in each instance insured with umbrella coverage in amounts not less than One Million Dollars (\$1,000,000) in the aggregate listing Owner as an additional insured. Manager shall use commercially reasonable efforts to cause All Risk Builder's Risk insurance to be purchased and maintained during construction for the entire work to be performed at the site to the full insurable value thereof. This insurance shall include the interest of Owner in the work and shall insure against the perils normally insured against in an All Risk Builder's Risk policy, and shall be deemed the primary insurance as to covered risks.

(ix) Warranties and Guaranties. Manager shall use commercially reasonable efforts to obtain and deliver to Owner all warranties and guaranties of workmanship and materials for the benefit of Owner that are available from the contractor, subcontractors and suppliers with respect to the Tenant Improvement Work. Manager shall require that all such warranties and guaranties shall be delivered to Manager on behalf of Owner not later than the time the contractor, subcontractor or supplier makes an application for final payment, and a copy of all such warranties and guaranties that have been received shall be retained by Manager.

(x) Rebates and Discounts. Manager shall advise Owner of, and, to the extent Owner makes funds available to Manager, shall obtain for Owner all rebates,

discounts or other incentives, if any, pertaining to the construction of the Tenant Improvement Work.

3. Approval of Contracts. Manager shall not execute or otherwise enter or bind Owner with respect to any contract or agreement for equipment, supplies, services or any other item without (i) obtaining three (3) competitive written bids, (ii) furnishing copies of the same to Owner, and (iii) receiving the prior written consent of Owner; provided, however, that without such bidding and consent Manager may enter contracts and agreements on behalf of Owner in the ordinary course of the management, operation, maintenance and servicing of the Property involving the acquisition of utility, maintenance or other services or the furnishing of services to tenants in the Property, involving an expenditure or obligation on the part of Owner that has been approved in advance in the Annual Budget, provided, however, Manager shall have the right pursuant to the Building Account Rules, to spend amounts over the line item amounts set forth in the Annual Budget insofar as such additional expenditures do not exceed the total amounts budgeted in each general category of (a) personnel, (b) materials and supplies, and (c) capital expenditures. All contracts shall be prepared by Manager, at Owner's expense, for Owner's execution in conformity with any applicable forms included in the Management Guidelines; provided, however, any contracts requiring review by counsel shall be submitted to Owner for review by Owner's counsel, at Owner's expense; provided, further, Manager shall not retain counsel with respect to Ownership issues arising at the Property without first obtaining Owner's written consent thereto. All service contracts shall contain a provision permitting Owner to terminate in the event Owner sells or transfers the Property. Manager shall not hold itself out as having the authority to approve any contract or agreement without the prior approval of Owner, except as provided above. Three (3) written bids shall not be required if the expense is one reimbursed by tenants under leases at the Property.

4. Compensation for Management Services.

4.1 Management Fee. Owner shall pay Manager as compensation for the management services rendered hereunder the Management Fee, as that term is defined in item 4 of the Basic Information Sheet above, which Management Fee is intended to compensate Manager for all management services, including the wages, salaries, benefits, and compensation of personnel employed by Manager in connection with Manager's providing services hereunder.

4.2 Payment of Management Fee. In accordance with the procedure set forth in Section 2.4.2 above, the Management Fee shall be payable by Owner to Manager monthly in arrears prior to or on the fifth (5th) day of each month, commencing as of the

expiration of the first full calendar month after the Effective Date.

4.3 Determination of Tenant Rent. Notwithstanding any contrary definition in any applicable tenant lease or other agreement pursuant to which Owner receives income with respect to the Property, for purposes of this Agreement, base rent and additional rent and other revenues (collectively, the "Tenant Rent") shall include any and all amounts that are attributable to any of the following:

(1) any and all rental amounts payable under the applicable tenant leases, whether or not paid by such tenants (i.e. free rent periods); and

(2) any rental obligation pursuant to any provision contained in a lease at the Property whereby tenant pays a share of real estate taxes, or any increase in real estate taxes, insurance, building operating costs or expenses or increases thereof pursuant to said lease, including any other amounts characterized as additional rent; and

(3) any amounts paid by tenants to Owner as reimbursement for utilities, electricity, services, heat and/or air-conditioning furnished or paid for by Owner directly; and

(4) any amounts payable for above-building standard leasehold improvements, fixtures, decorations or installations constructed by or for the tenant or reimbursed to Owner by the tenant as additional rental or otherwise pursuant to the lease or by separate agreement; and

(5) any amounts paid to Owner by tenants in connection with defaults under tenant leases, including, without limitation, settlement payments and judgments arising from rent collection actions, lease termination payments and late charges; and

(6) any amounts credited to tenant leases as a Tenant Allowance, as that term is defined in the Minimum Leasing Standards, including, without limitation, any Tenant Improvement Allowance, any Free Rent Allowance and any Other Tenant Inducement Allowance, to the extent such amounts are not included under categories (1) through (5) above, inclusive; and

(7) payments for nonrefundable and nonreturnable parking, late payment charges, tenant security deposits, finance charges, interest or other similar payments, whether included as part of the monthly rental payment or not; and

(8) gross revenues obtained in connection with license fees or concessionaires' contracts, including, without

limitation, vending machines, kiosks, newsstands and overnight courier service boxes (collectively, the "License Fees").

4.4 Determination of Rent of Owner-Occupied Premises.

In the event Owner shall occupy Premises at the Property, and notwithstanding Owner's internal cost accounting standards pertaining to rental charges therefor, for purposes of determining the Management Fee and Leasing Commission Amount, as hereinafter defined, pertaining to such Owner-occupied Premises, the "Tenant Rent" shall be equal to the Proforma Rent, as that term is defined in the Minimum Leasing Standards, pertaining to such Premises, as adjusted pursuant to the Minimum Leasing Standards. The Leasing Commission Amount for Owner-occupied space shall be calculated based on a term of five (5) years.

5. Leasing Services of Manager.

5.1 Listing Broker. Manager shall engage and manage a licensed broker (the "Listing Broker"), subject to the prior written approval of Owner, which approval shall not be unreasonably withheld, conditioned or delayed, with respect to the exclusive agency listing to identify and obtain prospective tenants to lease the Premises, and Manager accepts the same, upon all of the terms, covenants and conditions set forth in this Agreement; provided, however, in the event Owner has not approved, or denied approval of, the Listing Broker proposed by Manager in writing within ten (10) days after receipt of Manager's written request for such approval, Owner shall be deemed to have approved Manager's selection of Listing Broker; provided, further, nothing herein shall prevent Manager from providing the services of Listing Broker, subject to Owner's approval as aforesaid.

5.2 Right to Approve. To the extent any proposed leases deviate materially from the leasing standards set forth in Exhibit D attached hereto (the "Minimum Leasing Standards"), Owner shall have the right, in its reasonable discretion, to approve such nonconforming terms, conditions, and/or form of any proposed lease.

5.3 Outside Brokers. If any outside brokers are involved in obtaining any new tenant of the Property on behalf of or in conjunction with Listing Broker, any leasing commission earned and payable to such outside broker shall be paid to such outside broker by the Listing Broker and shall be included as part of (and not in addition to) the aggregate amount payable by Owner to Manager as the Leasing Commission Amount, as defined in Section 6.1.1 below.

6. Leasing Commissions and Leasing Management Fee. Listing Broker shall be paid a commission ("Commission") by

Manager, at Owner's sole cost and expense, for leases executed during the Term or Dragnet Period, as applicable, as follows:

6.1 New Leases. For purposes of this Agreement, the term "new lease" shall mean a lease with a person or entity other than an existing tenant at the Premises.

6.1.1 Leasing Commission Amount. In consideration of the execution of a new lease for all or a portion of the Premises, Listing Broker shall be paid a commission in the amount of five percent (5%) of the aggregate Tenant Rent to be paid during the initial five (5) years of the term of the applicable lease, and two and one-half percent (2.5%) of the aggregate Tenant Rent to be paid over the entire remaining term of the applicable lease (the "Leasing Commission Amount").

6.1.2 Leasing Management Fee Amount. In consideration of managing the Listing Broker in connection with the execution of a new lease for all or a portion of the Premises, Manager shall be paid a fee (the "Leasing Management Fee") in the amount of one percent (1%) of the aggregate Tenant Rent to be paid over the entire term of the applicable lease (the "Leasing Management Fee Amount").

6.2 Payment. Owner shall pay Manager the Commission and Leasing Management Fee pursuant to the following schedule:

6.2.1 Upon Execution. One-half (1/2) of the Commission and Leasing Management Fee shall be paid when the new lease has been executed by the tenant.

6.2.2 Upon Acceptance. One-half (1/2) of the Commission and Leasing Management Fee shall be paid upon the earlier to occur of the tenant's occupancy of the Premises, or upon the commencement of the applicable lease term.

6.3 Existing Leases. The amount of the Commission due and payable hereunder to Listing Broker by Manager for renegotiation by Listing Broker of existing leases shall be equal to the Leasing Commission Amount, as set forth in Section 6.1.1 above, applied only with respect to net increases in Tenant Rent revenues resulting from such negotiations, if any; the amount of the Leasing Management Fee due and payable hereunder to Manager for managing Listing Broker's renegotiation of existing leases shall be equal to the Leasing Management Fee Amount, as set forth in Section 6.1.2 above, applied only with respect to net increases in Tenant Rent revenues resulting from such negotiations, if any.

6.4 Additional Space. If a tenant takes additional space at the Premises pursuant to an agreement entered into during the term of this Agreement between Owner and such tenant,

then additional Commissions and Leasing Management Fees shall be paid to Listing Broker and Manager, respectively, at such time as the tenant enters an agreement with Owner respecting such additional space. The Commission to be paid to Listing Broker in such event shall be the Leasing Commission Amount, as set forth in Section 6.1.1 above, attributable to such additional space; the Leasing Management Fee to be paid to Manager in such event shall be the Leasing Management Fee Amount, as set forth in Section 6.1.2 above, attributable to such additional space.

6.5 Relocations.

6.5.1 Tenant-Initiated. The amount of the Commission due and payable hereunder to Listing Broker if a tenant, at such tenant's initiative, relocates to substitute space at the Premises either pursuant to the tenant's existing lease or pursuant to a future agreement or lease between Owner and such tenant, shall be equal to the Leasing Commission Amount, as set forth in Section 6.1.1 above, applied only with respect to net increases in Tenant Rent revenues resulting from such relocations, if any; the amount of the Leasing Management Fee due and payable hereunder to Manager if a tenant voluntarily relocated to substitute space at the Premises shall be equal to the Leasing Management Fee Amount, as set forth in Section 6.1.2 above, applied only with respect to net increases in Tenant Rent revenues resulting from such relocations, if any.

6.5.2 Owner-Initiated. The amount of the Commission due and payable hereunder to Listing Broker if a tenant is relocated at Owner's initiation to substitute space at the Premises pursuant to the tenant's existing lease or pursuant to a future agreement or lease between Owner and such tenant, shall be equal to fifty percent (50%) of the Leasing Commission Amount, as set forth in Section 6.1.1 above, applied only with respect to net increases in Tenant Rent revenues resulting from such relocations, if any; the amount of the Leasing Management Fee due and payable hereunder to Manager if a tenant is relocated at Owner's initiation to substitute space at the Premises shall be equal to the Leasing Management Fee Amount, as set forth in Section 6.1.2 above, applied only with respect to net increases in Tenant Rent revenues resulting from such relocations, if any.

6.6 Sale. No Commission or Leasing Management Fee shall be due and payable hereunder to Listing Broker on any sale or joint venture of any portion of the Property, except as otherwise specifically agreed to in writing by Owner prior to execution of the applicable lease; provided, however, any such sale or joint venture shall not affect the Term of this Agreement, or any other terms or conditions hereof.

6.7 Renewals. If during the term of this Agreement (or the Dragnet Period, as that term is defined in item 16 of the

Basic Information Sheet, if applicable) a tenant renews its lease for an additional term, pursuant to an agreement made between Owner and such tenant, then additional Commissions and Leasing Management Fees shall be paid to Listing Broker and Manager, respectively, at such time as the renewal term commences. In such event, (a) the Commission to be paid to Listing Broker shall be the Leasing Commission Amount, as set forth in Section 6.1.1 above, and (b) the Leasing Management Fee to be paid to Manager shall be the Leasing Management Fee Amount, as set forth in Section 6.1.2 above.

6.8 Option to Extend. (a) A Commission in the amount of fifty percent (50%) of the Leasing Commission Amount, as set forth in Section 6.1.1 above, and (b) a Leasing Management Fee in the amount of the Leasing Management Fee Amount, as set forth in Section 6.1.2 above, shall be due and payable hereunder to Listing Broker and Manager, respectively, upon the extension of the lease term during the term of this Agreement (or the Dragnet Period, if applicable) by an existing tenant or upon the exercise of any option to extend the lease term.

6.9 Other Brokers. Manager shall use commercially reasonable efforts to cause Listing Broker to cooperate with other brokers in finding tenants for the Premises. Any cooperating brokers retained by Listing Broker shall act solely and exclusively as agents of Listing Broker in procuring or attempting to procure tenants in accordance with this Agreement. If a tenant shall be procured through the efforts of any cooperating broker(s), all the terms of this Agreement shall apply to such a transaction, and the Commission may be divided between Listing Broker and the cooperating broker(s) in any manner satisfactory to them. If a cooperating broker shall be involved in the leasing of the Premises, Manager shall use commercially reasonable efforts to cause to be delivered to Owner, prior to or concurrent with delivery by Manager to Owner of the offer procured by Listing Broker with the assistance of such cooperating broker, a document executed by the cooperating broker by which it releases Owner and Manager from any claim for a brokerage commission or finder's fee. Listing Broker shall indemnify, defend, and hold Owner harmless from any loss, liability, damage or claim whatsoever, including attorneys fees, with respect to any claim by any such cooperating broker against Owner for any leasing commissions or fee with respect to the Premises.

6.10 Intended Third Party Beneficiary. Listing Broker is an intended third party beneficiary of Sections 5 and 6 of this Agreement.

7. Accounting, Records, Reports.

7.1 Records. Manager shall maintain a system of office records, books and accounts, which shall belong to Owner. Owner and others designated by Owner shall have at all reasonable times access to such records, accounts and books and to all vouchers, files and all other material pertaining to the Property and this Agreement, all of which Manager agrees to keep safe, available and separate from any records not having to do with the Property.

7.2 Financial Reports. Manager shall furnish to Owner on a monthly basis unaudited financial statements, including the following: a profit and loss statement showing the results of operations of the Property for the preceding month and of the year-to-date; a statement of changes in financial position showing the changes which occurred during the preceding month and year-to-date; and such other statements for the Property reasonably requested by Owner in writing, all prepared in accordance with Owner's reasonable standards and in conformity with the Management Guidelines.

7.3 Quarterly Reports. Manager shall provide Owner with a quarterly rent roll, on or before each January 1, April 1, July 1, and October 1 during the term on this Agreement, starting with the first of such dates which is more than forty-five (45) days from the date hereof.

7.4 Fixed Asset Report. Within thirty (30) days after the end of each quarterly period beginning on the first day of January, April, July and October of each year during the term of this Agreement, Manager shall deliver to Owner a report indicating all fixed assets (i.e., fixtures and capitalized acquisitions) purchased during the preceding quarter for amounts in excess of One Thousand Dollars (\$1,000) each (the "Fixed Asset Report"). Each such Fixed Asset Report shall include copies of the invoice(s) applicable to each asset set forth in such report.

7.5 Annual Budgets. No later than March 1 of each year, Manager shall deliver to Owner a statement setting forth in detail, as reasonably requested by Owner, the estimated receipts and the estimated amounts required to be expended, on both an accrual and cash basis, during the next fiscal year commencing July 1 of that year, by Manager in the performance of its duties hereunder (the "Annual Budget"), including, without limitation, the amount of real estate taxes, assessments, insurance premiums and maintenance and other expenses relating to the Property whether for operations or capital improvements. Manager will fully cooperate with and give reasonable assistance to any independent public accountant retained by Owner to examine such statements or other records pertaining to the Property.

7.6 Computerized Accounting.

7.5.1 System. Manager shall convert from the "portfolio" accounting system presently used by Manager to a single-property accounting system for Owner's behalf (the "Owner's Accounting System"). Any computer terminals or software required by Owner to be installed at Manager's office that permit direct tie-in between Owner's accounting system shall be provided by Owner, at Owner's expense, and shall remain separate from Manager's computer system.

7.5.2 Utilization. Manager hereby agrees to provide for the input of monthly accounting transactions into Owner's Accounting System (receipts, disbursements, etc.) according to reasonable guidelines established by Owner.

8. Expenses.

8.1 Expense of Owner. All obligations or expenses incurred hereunder shall be for the account of, on behalf of, and at the expense of Owner, except as otherwise specifically provided in this Agreement; provided, however, that Owner shall not be obligated to reimburse Manager for any salaries of any executives or supervisory personnel of Manager, for any salaries or wages allocable to time spent on matters other than the Property, for any salaries, wages and expenses allocable to any personnel (except as herein set forth) for activities with regard to the leasing of space in the Property, or for any salaries, wages and expenses for any personnel other than personnel located at the Property site (which wages are reimbursable direct costs) or other than personnel typically located at the Property site but performing such duties for a number of properties. As to personnel performing such duties at a number of properties whether or not such personnel are located at the site, such salaries, wages and expenses shall be prorated between the properties involved based upon the number of hours devoted to each property and only such proportional allocation shall be a reimbursable expense hereunder. Owner shall have the right to audit any allocation of expense between properties.

8.2 Expenditure Authorization and Reimbursement.

8.2.1 Annual Budget. Approval of the Annual Budget by Owner shall constitute an authorization for Manager to expend money in the amounts and for the purposes set forth therein. In the event Owner and Manager mutually determine that the Annual Budget requires modification, Owner shall undertake to modify the Annual Budget pursuant to the rules, policies and procedures of Multnomah County and the State of Oregon, as applicable. For all other expenditures, Manager will obtain Owner's written authorization before making or committing to any expenditure of Owner's funds.

8.2.2 Repairs. In the case of casualty, breakdown in machinery or other similar emergency, and to the extent Owner has made funds available pursuant to the Building Account Rules, Manager shall make payments for repairs, maintenance, equipment, or supplies, without following the bidding procedures otherwise required, if in the opinion of Manager emergency action prior to written approval is necessary to prevent additional damage or a greater total expenditure or to protect the Property from damage or to prevent a default on the part of Owner under the Basic Documents or as landlord under leases. Any such payment shall be made only in concert with prompt telefacsimile or telephonic notification by Manager to Owner.

8.2.3 Funds. Any authorized payments made by Manager in the performance of its duties and obligations under this Agreement shall be made out of the Building Account or as otherwise may be provided by Owner pursuant to the Building Account Rules.

9. Indemnification.

9.1 Manager's Indemnity. Manager shall indemnify and hold Owner, and Owner's officers, employees and agents and the Property, harmless from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of the negligence or willful misconduct of Manager or Manager's employees, but not otherwise.

9.2 Owner's Indemnity. Subject to the terms of the Oregon Tort Claims Act (Oregon Revised Statutes §§ 30.260 through 30.300, inclusive) Owner shall indemnify and hold harmless Manager and Manager's officers, directors, partners, shareholders, employees and agents, from and against any and all loss, cost, damage, liability and expense (including court costs and reasonable attorneys' fees) arising out of (a) a breach or default by Owner hereunder, or (b) Manager's performance of its duties and obligations hereunder (excepting liability arising out of Manager's negligence or wrongful conduct).

10. Terms and Termination.

10.1 Term. This Agreement is for a term commencing on the Effective Date and terminating on the Termination Date (the "Initial Term"). This Agreement shall automatically renew and continue in full force and effect for successive periods of one (1) year each after the Initial Term (the "Renewal Term"), unless terminated in accordance with Section 10.2 below. References to the "Term" shall include the Initial Term and/or the Renewal Term, as applicable.

10.2 Termination by Either Party. After the Initial Term of this Agreement, either party hereto, upon at least sixty (60) days written notice to the other party, may terminate this Agreement without cause at any time, effective at the end of the notice period, and Owner may terminate Manager's services hereunder effective either immediately upon Manager's receipt of the notice or at any time thereafter. Regardless of the effective date of termination by Owner under this section, Owner shall remain obligated to pay Manager the Management Fees due hereunder for a minimum period of sixty (60) days following the date of the notice of termination.

10.3 Manager's Obligations after Termination. Upon the expiration or termination of this Agreement, or the termination of Manager's services hereunder, as provided above, Manager shall:

10.3.1 Books and Records. Deliver to Owner, or such other person or persons designated by Owner, copies of all books and records of the Property and all funds in the possession of Manager belonging to Owner or received by Manager pursuant to the terms of this Agreement or of any of the Basic Documents; and

10.3.2 Service Contracts. Assign, transfer or convey to such person or persons all service contracts and personal property relating to or used in the operation and maintenance of the Property, except any personal property which was paid for and is owned by Manager. Manager shall, at its cost and expense, remove all signs that it may have placed at the Property indicating that it is the manager of same and replace and restore any damage resulting therefrom. Upon any voluntary termination or the expiration pursuant to this Section, the obligations of the parties hereto (except those specified as surviving) shall cease as of the date specified in the notice of termination, except that Manager shall comply with the applicable provision hereof and shall be entitled to receive any and all compensation which may be due Manager hereunder at the time of such termination or expiration.

11. No Agency. Manager shall be responsible for all of its employees or employees of any affiliate, the supervision of all persons performing services in connection with the performance of all of Owner's obligations relating to the maintenance and operation of the Property, and for determining the manner and time of performance of all acts hereunder. Nothing herein contained shall be construed to establish Manager as agent (except as exclusive leasing agent) of Owner.

12. Assignment. Manager may not assign this Agreement without the prior written approval of Owner, which shall not be unreasonably withheld. This Agreement shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors and assigns.

13. No Waiver. The failure of either party to seek redress for breach, or to insist upon the strict performance of any covenant, agreement, provision or condition of this Agreement shall not constitute a waiver thereof, and either party shall have all remedies provided herein and by applicable law with respect to any subsequent act which would have originally constituted a breach.

14. Notices. Unless otherwise specifically provided, all notices, demands, statements and communications required hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and addressed as set forth in the Basic Information Sheet. Either party hereto may from time to time by written notice to the other party as aforesaid, designate a different mailing address or different person(s) to which all such notices are thereafter to be addressed.

15. Captions. The captions of this Agreement are inserted only for the purpose of convenient reference and do not define, limit, or prescribe the scope or intent of this Agreement or any part thereof.

16. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Oregon.

17. Incorporation of Basic Information Sheet. The contents of the Basic Information Sheet is incorporated into this Agreement by this reference, as though set forth fully herein.

18. Public Contract Laws. Notwithstanding any other provision in this Agreement to the contrary, in the event any service or obligation of Manager requires compliance with the public contract laws of the State of Oregon (Oregon Revised Statutes 279.011 through 279.650, inclusive) or the purchasing ordinances and rule of the County of Multnomah, as may be reasonably determined by Owner, Manager shall perform the applicable service or obligation in compliance with such laws or regulations. To comply with this provision, Owner reserves the right to administer the making or drafting of such public contracts, at Owner's expense, and Manager hereby agrees to cooperate reasonably with Owner therewith.

19. Owner's Intention to Occupy the Premises. During the term of this Agreement and thereafter, it is Owner's intention to occupy a substantial portion of the Premises, as such Premises become available and subject to the terms of applicable tenant leases and Owner's need for such space. Accordingly, Owner shall have the right to disapprove proposed leases if in Owner's reasonable discretion, the space covered by such lease shall be required for occupancy by Owner during the term set forth in such proposed lease. The foregoing to the contrary notwithstanding, Owner shall cooperate reasonably with Manger and Listing Broker

to maximize rental revenues from the Property, consistent with Owner's requirements to occupy the Premises, as aforesaid.

20. Management of Parking Facilities. In addition to the fees to be paid to Manager set forth above, Owner hereby agrees to pay to Manager fees in the amount of ___ percent (___%) of the revenues paid to Owner by the operator of the parking facilities at the Property (the "Parking Concessionaire"), as payment for management of the parking facilities at the Property, and supervision, auditing and review of the Parking Concessionaire's activities at the Property.

21. Entire Agreement. This Agreement embodies the entire understanding of the parties and there are no further agreements or understanding, written or oral, in effect between the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

"OWNER"

MULTNOMAH COUNTY, a municipal corporation and political subdivision of the State of Oregon

By: _____

Its: _____

"Manager"

MARATHON U.S. REALTIES, a Delaware corporation

By: _____

Its: _____

EXHIBIT A

PROPERTY

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 11, CITY OF PORTLAND,
EXCEPT the West 5 feet of Lots 5, 6, 7 and 8 in S.W. Second
Avenue, in the City of Portland, County of Multnomah and State of
Oregon.

EXHIBIT B

BASIC DOCUMENTS

[To be completed by seller]

EXHIBIT C

MANAGEMENT GUIDELINES

1. Manager shall use commercially reasonable efforts to notify Owner of all rent delinquencies and/or tenant defaults as soon as reasonably practicable after occurrence, and will provide Owner with Manager's reasonable judgment with respect to the appropriate course of action to collect such delinquent rent and/or cure such tenant defaults. Manager shall abide by Owner's decisions in each such event and, subject to the laws of the State of Oregon and to the extent funds are made available by Owner to do so, will exercise reasonable diligence in carrying out Owner's instructions relating thereto.

2. From time to time, as may be requested by Owner in writing, Manager will review the performance of building service contractors and vendors, and make recommendations to Owner for improving efficiency and quality, and/or reducing costs.

3. Manager acknowledges that Manager is an important element in the communications link between Owner and its tenants. As such, Manager will use commercially reasonable efforts to maintain cordial and frequent contact with the tenants and keep Owner informed regularly of tenants' concerns, expansion or contraction plans, changes in occupancy or use, and other matters that could affect the leasing and operation of the Property.

4. Manager will use commercially reasonable efforts to project a positive and responsible image of Owner to the tenants and to the Portland community, and will inform Owner of any condition or event which, in Manager's reasonable judgment, could be expected to harm Owner's reputations with its tenants or with the Portland community.

5. During the term of this Agreement, Manager shall operate the Premises in substantially the same manner, and to the same standard of operation, as it did during Manager's ownership of the Property. In this regard, a Portfolio Manager of equivalent seniority and experience as the Regional Portfolio Manager responsible for the Property during Manager's ownership thereof (the "Management Representative") shall be available to Owner by telephone during normal business hours (excepting non-business days, holidays, vacations and sick leaves). The Management Representative shall have full managerial and supervisory authority with respect to Manager's obligations under and pursuant to this Agreement, and shall be available as necessary to (a) assure that Manager's obligations under this Agreement are performed satisfactorily, and (b) communicate directly with tenants, Owner's designated representative, Listing Broker and all providers of goods and services in connection with Manager's duties under this Agreement. In connection therewith,

the Management Representative shall personally inspect the Property and supervise and review Manager's employees' performance not less than two (2) full days per month, and shall communicate by telephone with onsite personnel no less two (2) times per week, or as frequently as is necessary to assure that Manager's duties under this Agreement are performed satisfactorily.

EXHIBIT D

BUILDING ACCOUNT RULES

[to be provided by Owner]

EXHIBIT E

MINIMUM LEASING STANDARDS

(One Main Place)

1. Market Conditions. Buyer and Seller acknowledge and agree that the Minimum Leasing Standards, as hereinafter defined, are intended to reflect the parties' reasonable judgment with respect to current market conditions bearing on the leasing of premises in office buildings located in the central business district of Portland, Oregon (the "Local Market Conditions"). In connection therewith, the parties hereto acknowledge and agree that, from time to time as Local Market Conditions change, the Minimum Leasing Standards shall be modified or amended to reflect such changes. Accordingly, Buyer and Seller agree that Seller shall have the right to request in writing that Buyer consent to amendments or modifications of the Minimum Leasing Standards, if in Seller's reasonable judgment changes in Local Market Conditions warrant such amendments or modifications, and Buyer shall not unreasonably withhold its consent thereto.

2. Minimum Leasing Standards. The minimum leasing requirements for a tenant lease pertaining to space at the Property shall be as follows (collectively, the "Minimum Leasing Standards"):

a. Form of Lease. A tenant lease shall be in substantially the form of the standard form lease, which standard form lease shall be agreed upon by Buyer and Seller (the "Form Lease").

b. Tenant Allowance. In order to induce tenants to lease space at the Property, Buyer, as landlord, agrees to provide incentives to prospective tenants consisting of the Tenant Improvement Allowance, Free Rent Allowance and Other Tenant Inducement Allowance, as those terms are hereinafter defined (collectively, the "Tenant Allowance"); provided, however, Buyer further agrees that, notwithstanding that the Tenant Allowance is comprised of various categories with specific dollar amounts allocated thereto, Seller shall have the right to negotiate tenant leases that provide tenant allowances with dollar amounts allocated differently than as set forth below, so long as, in the aggregate, the cost to Buyer, as landlord, of the total tenant allowance pertaining to a specific tenant lease does not exceed the aggregate of the following dollar amounts:

(1) Tenant Improvement Allowance. Buyer, as landlord, shall install tenant improvements at the Property, or grant an allowance therefor, pursuant to the following guidelines (the "Tenant Improvement Allowance"): (A) A new tenant lease shall provide for the installation of tenant improvements at a cost of not more than Nineteen Dollars (\$19) per square foot of

net rentable area; and (B) a renewal of an existing tenant lease shall provide for the installation of tenant improvements at a cost of not more than Ten Dollars (\$10) per square foot of net rentable area.

(2) Free Rent Allowance. (A) Seller may grant free rent to tenants under new tenant leases of up to one (1) calendar month for each calendar year constituting the lease term of the applicable tenant lease, up to a maximum of nine (9) months free rent; (B) Seller may grant free rent to tenants under renewal tenant leases of up to one (1) calendar month for every two (2) calendar years constituting the renewal term of the applicable tenant lease, up to a maximum of five (5) months free rent (the "Free Rent Allowance").

(3) Other Tenant Inducements. "Other Tenant Inducements" shall mean any other inducement to rent in addition to (or in lieu of) free rent and tenant improvements granted to tenants under a tenant lease, either in cash or in kind, including, without limitation, moving expenses and lease buyouts. Seller shall have the right to grant any Other Tenant Inducements of a value not to exceed (A) Two Dollars (\$2) per square foot of net rentable area covered by a new tenant lease; and (B) One Dollar (\$1) per square foot of net rentable area covered by a renewal tenant lease.

c. Rental Adjustments. Any tenant lease with an initial term in excess of five (5) years shall provide for not less than a three percent (3%) increase in rent effective as of the first day of the sixth (6th) full lease year of the term of the tenant lease. In no event shall the rent payable in any lease year be less than the rent payable in the prior lease year.

d. Rent. Each tenant lease shall provide for the payment of rent throughout the lease term as follows (the "Proforma Rent"):

(1) Floors 1 Through 5. With respect to premises on floors one (1) through five (5), inclusive, rent in an amount equal to Fourteen Dollars (\$14) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(2) Floors 6 Through 10. With respect to premises on floors six (6) through ten (10), inclusive, rent in an amount equal to Fifteen Dollars (\$15) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(3) Floors 11 Through 15. With respect to premises on floors eleven (11) through fifteen (15), inclusive, rent in an amount equal to Sixteen Dollars (\$16) per square foot

of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(4) Floors 16 Through 20. With respect to premises on floors sixteen (16) through twenty (20), inclusive, rent in an amount equal to Seventeen Dollars (\$17) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

e. Term of Lease. The term of a tenant lease for space within the Property shall be for not less than five (5) years nor more than ten (10) years; provided, however, the term of a tenant lease may be for a period of less than five (5) years in the event such tenant lease provides for a total tenant allowance less than the Tenant Allowance, as follows:

(1) One Year Term. The term of a new tenant lease for space within the Property for a minimum of one (1) year, but less than two (2) years shall be permitted, provided the tenant allowance is equal to or less than Five Dollars Sixty Cents (\$5.60) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of one (1) year, but less than two (2) years shall be permitted, provided the tenant allowance is less than or equal to Two Dollars Eighty Cents (\$2.80) per square foot of net rentable area.

(2) Two Year Term. The term of a new tenant lease for space within the Property for a minimum of two (2) years, but less than three (3) years shall be permitted, provided the tenant allowance is equal to or less than Eleven Dollars Twenty Cents (\$11.20) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of two (2) years, but less than three (3) years shall be permitted, provided the tenant allowance is less than or equal to Five Dollars Sixty Cents (\$5.60) per square foot of net rentable area.

(3) Three Year Term. The term of a new tenant lease for space within the Property for a minimum of three (3) years, but less than four (4) years shall be permitted, provided the tenant allowance is equal to or less than Sixteen Dollars Eighty Cents (\$16.80) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of three (3) years, but less than two (2) years shall be permitted, provided the tenant allowance is less than or equal to Eight Dollars Forty Cents (\$8.40) per square foot of net rentable area.

(4) Four Year Term. The term of a new tenant lease for space within the Property for a minimum of four (4) years, but less than five (5) years shall be permitted,

provided the tenant allowance is equal to or less than Twenty-Two Dollars Forty Cents (\$22.40) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of four (4) years, but less than five (5) years shall be permitted, provided the tenant allowance is less than or equal to Eleven Dollars Twenty Cents (\$11.20) per square foot of net rentable area.

f. Option Terms. The rent payable in any option term granted under a tenant lease shall be not less than one hundred percent (100%) of the then fair market rate for net rentals of similar properties in the central business district of Portland.

3. Limitation. No provision in a tenant lease shall vary materially from these Minimum Leasing Standards (as such may be amended from time to time) without the consent of Buyer.

4. Pre-Approved Leases. As of the Effective Date, Buyer has approved the renewal of certain tenant leases on terms other than the foregoing Minimum Leasing Standards, as set forth in Schedule 1 attached hereto (the "Pre-Approved Leases").

SCHEDULE 1
PRE-APPROVED LEASES

1. Fireman's Fund (renewal).
 - a. Term. Five (5) years
 - b. Rentable Area. Approximately 5,200 net rentable square feet (plus or minus 500 net rentable square feet) on the 7th floor
 - c. Rent. Per Minimum Leasing Standards
 - d. Tenant Improvement Allowance. Per mutually agreeable plan, currently estimated between \$10.50 and \$12.50 per net rentable square foot of area
 - e. Renewal Option. One-five (5) year term at 95% of market rate rent
 - f. Expansion Rights. 2,500 net rentable square feet of area anywhere in the building, in landlord's sole discretion

2. Mitchell, Lang & Smith.
 - a. Term. Five (5) years
 - b. Rentable Area. Approximately 14,932 net rentable square feet (plus or minus 1,000 net rentable square feet) on the 19th and 20th floors
 - c. Rent. Between \$17.00 and \$18.50 per net rentable square foot of area
 - d. Tenant Improvement Allowance. Between \$11.00 and \$13.00 per net rentable square foot of area

3. Bank of America.
 - a. Term. One (1) to five (5) years
 - b. Rentable Area. undetermined, on the 16th floor
 - c. Rent. \$18.00 per net rentable square foot of area

- d. Tenant Improvement Allowance. Per Minimum Leasing Standards
4. Cappelli Miles, et al.
- a. Term. One (1) to five (5) years
 - b. Rentable Area. Approximately 2,600 net rentable square feet on the 14th floor
 - c. Rent. Between \$15.50 and \$16.50 per net rentable square foot of area
 - d. Tenant Improvement Allowance. Per Minimum Leasing Standards
 - e. Expansion Rights. 700 net rentable square feet of area (plus or minus 200 net rentable square feet) of contiguous space
5. Steve Stiles.
- a. Term. One (1) to two (2) years
 - b. Rentable Area. Approximately 826 net rentable square feet of area on the 14th floor
 - c. Rent. \$17.50 per net rentable square foot of area
 - d. Tenant Improvement Allowance. Per Minimum Leasing Standards

EXHIBIT G

BUYER'S OPINION

EXHIBIT H
CONFIRMATION OF TERMINATION

[BUYER'S/SELLER'S LETTERHEAD (AS APPLICABLE)]

[Date]

BUYER/SELLER (AS APPLICABLE)

TRANSAMERICA TITLE INSURANCE COMPANY
555 S.W. Oak Street
Plaza Level
Portland, Oregon 97204
Attention: David Aldrich, Esq.

Re: Acquisition of One Main Place, Portland, Oregon;
CONFIRMATION OF TERMINATION

Gentlemen:

This letter is to notify you that in accordance with Section 6(b) of that certain Agreement of Purchase and Sale (the "Agreement") entered by and between Multnomah County, as buyer, and Marathon U.S. Realities, Inc., as seller, and dated as of April __, 1992, for the purchase of certain improved real property known as One Main Place, located in the City of Portland, Multnomah County, State of Oregon, as more particularly described in the Agreement, [Buyer/Seller, as applicable] hereby confirms that the Agreement is terminated for failure of [Buyer's/Seller's, as applicable] Conditions Precedent, as that term is defined in the Agreement, subject to the Buyer's Inspection Obligations. As of the date hereof, the rights and obligations of Buyer and Seller under the Agreement shall hereby cease and Buyer and Seller shall have no further liability to one another whatsoever (with the exception of Buyer's Inspection Obligations, if any).

Buyer/Seller, as applicable

EXHIBIT I

SELLER'S OPINION

EXHIBIT J

QUITCLAIM DEED

MULTNOMAH COUNTY, a political subdivision of the State of Oregon, Grantor, releases and quitclaims to MARATHON U.S. REALTIES, INC., a Delaware corporation, Grantee, all right, title and interest in and to the following described real property:

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 11, CITY OF PORTLAND, EXCEPT the West 5 feet of Lots 5, 6, 7 and 8 in S.W. Second Avenue, in the City of Portland, County of Multnomah and State of Oregon.

The true and actual consideration for the conveyance is \$1.00.

Until a change is requested, all tax statements are to be sent to the following address: Marathon U.S. Realties, Inc., Marathon Plaza, 303 Second Street, Suite 850 North, San Francisco, CA 94107.

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

Dated this _____ day of _____, 1992.

MULTNOMAH COUNTY, a political
Subdivision of the State of Oregon

By _____
Gladys McCoy, Multnomah County Chair

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on _____, 1992, by GLADYS McCOY as Chair of the Multnomah County Board of Commissioners.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT K

ENVIRONMENTAL REPORT

That certain Report of Preliminary Environmental Site Assessment and Limited Asbestos Survey, One Main Place, S.W. First Avenue and Main Street S.W., Portland, Oregon, Law Associates Project No. 3190-2154-00 dated December 20, 1990 by Law Associates, Inc.

EXHIBIT L

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that the transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a Delaware corporation ("MUSR"), the undersigned hereby certifies as follows: (i) MUSR is not a nonresident alien (as that term is defined in the Internal Revenue Code and Income Tax Regulations); (ii) the U.S. employer identification number for MUSR is _____; (iii) the office address for MUSR is Marathon Plaza, 595 Market Street, Suite 2430, San Francisco, California 94105; and (iv) the Internal Revenue Service has not issued any notice with respect to MUSR or listed MUSR as a person whose certificate may not be relied upon for purposes of Section 1445 of the Internal Revenue Code.

MUSR understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this certification, and, to the best of my knowledge and belief, certify that it is true, correct and complete, and I further declare that I am authorized to sign this certificate on behalf of MUSR.

"MUSR"
MARATHON U.S. REALTIES, INC.,
a Delaware corporation

By _____
Its _____

EXHIBIT M

MINIMUM LEASING STANDARDS
(One Main Place)

51. Market Conditions. Buyer and Seller acknowledge and agree that the Minimum Leasing Standards, as hereinafter defined, are intended to reflect the parties' reasonable judgment with respect to current market conditions bearing on the leasing of premises in office buildings located in the central business district of Portland, Oregon (the "Local Market Conditions"). In connection therewith, the parties hereto acknowledge and agree that, from time to time as Local Market Conditions change, the Minimum Leasing Standards shall be modified or amended to reflect such changes. Accordingly, Buyer and Seller agree that Seller shall have the right to request in writing that Buyer consent to amendments or modifications of the Minimum Leasing Standards, if in Seller's reasonable judgment changes in Local Market Conditions warrant such amendments or modifications, and Buyer shall not unreasonably withhold its consent thereto.

52. Minimum Leasing Standards. The minimum leasing requirements for a tenant lease pertaining to space at the Property shall be as follows (collectively, the "Minimum Leasing Standards"):

a. Form of Lease. A tenant lease shall be in substantially the form of the standard form lease, which standard form lease shall be agreed upon by Buyer and Seller (the "Form Lease").

b. Tenant Allowance. In order to induce tenants to lease space at the Property, Buyer, as landlord, agrees to provide incentives to prospective tenants consisting of the Tenant Improvement Allowance, Free Rent Allowance and Other Tenant Inducement Allowance, as those terms are hereinafter defined (collectively, the "Tenant Allowance"); provided, however, Buyer further agrees that, notwithstanding that the Tenant Allowance is comprised of various categories with specific dollar amounts allocated thereto, Seller shall have the right to negotiate tenant leases that provide tenant allowances with dollar amounts allocated differently than as set forth below, so long as, in the aggregate, the cost to Buyer, as landlord, of the total tenant allowance pertaining to a specific tenant lease does not exceed the aggregate of the following dollar amounts:

(1) Tenant Improvement Allowance. Buyer, as landlord, shall install tenant improvements at the Property, or grant an allowance therefor, pursuant to the following guidelines (the "Tenant Improvement Allowance"): (A) A new tenant lease shall provide for the installation of tenant improvements at a cost of not more than Nineteen Dollars (\$19) per square foot of net rentable area; and (B) a renewal of an existing tenant lease

shall provide for the installation of tenant improvements at a cost of not more than Ten Dollars (\$10) per square foot of net rentable area.

(2) Free Rent Allowance. (A) Seller may grant free rent to tenants under new tenant leases of up to one (1) calendar month for each calendar year constituting the lease term of the applicable tenant lease, up to a maximum of nine (9) months free rent; (B) Seller may grant free rent to tenants under renewal tenant leases of up to one (1) calendar month for every two (2) calendar years constituting the renewal term of the applicable tenant lease, up to a maximum of five (5) months free rent (the "Free Rent Allowance").

(3) Other Tenant Inducements. "Other Tenant Inducements" shall mean any other inducement to rent in addition to (or in lieu of) free rent and tenant improvements granted to tenants under a tenant lease, either in cash or in kind, including, without limitation, moving expenses and lease buyouts. Seller shall have the right to grant any Other Tenant Inducements of a value not to exceed (A) Two Dollars (\$2) per square foot of net rentable area covered by a new tenant lease; and (B) One Dollar (\$1) per square foot of net rentable area covered by a renewal tenant lease.

c. Rental Adjustments. Any tenant lease with an initial term in excess of five (5) years shall provide for not less than a three percent (3%) increase in rent effective as of the first day of the sixth (6th) full lease year of the term of the tenant lease. In no event shall the rent payable in any lease year be less than the rent payable in the prior lease year.

d. Rent. Each tenant lease shall provide for the payment of rent throughout the lease term as follows (the "Proforma Rent"):

(1) Floors 1 Through 5. With respect to premises on floors one (1) through five (5), inclusive, rent in an amount equal to Fourteen Dollars (\$14) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(2) Floors 6 Through 10. With respect to premises on floors six (6) through ten (10), inclusive, rent in an amount equal to Fifteen Dollars (\$15) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(3) Floors 11 Through 15. With respect to premises on floors eleven (11) through fifteen (15), inclusive, rent in an amount equal to Sixteen Dollars (\$16) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

(4) Floors 16 Through 20. With respect to premises on floors sixteen (16) through twenty (20), inclusive, rent in an amount equal to Seventeen Dollars (\$17) per square foot of net rentable area per annum, on a fully serviced basis, as set forth in the Form Lease.

e. Term of Lease. The term of a tenant lease for space within the Property shall be for not less than five (5) years nor more than ten (10) years; provided, however, the term of a tenant lease may be for a period of less than five (5) years in the event such tenant lease provides for a total tenant allowance less than the Tenant Allowance, as follows:

(1) One Year Term. The term of a new tenant lease for space within the Property for a minimum of one (1) year, but less than two (2) years shall be permitted, provided the tenant allowance is equal to or less than Five Dollars Sixty Cents (\$5.60) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of one (1) year, but less than two (2) years shall be permitted, provided the tenant allowance is less than or equal to Two Dollars Eighty Cents (\$2.80) per square foot of net rentable area.

(2) Two Year Term. The term of a new tenant lease for space within the Property for a minimum of two (2) years, but less than three (3) years shall be permitted, provided the tenant allowance is equal to or less than Eleven Dollars Twenty Cents (\$11.20) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of two (2) years, but less than three (3) years shall be permitted, provided the tenant allowance is less than or equal to Five Dollars Sixty Cents (\$5.60) per square foot of net rentable area.

(3) Three Year Term. The term of a new tenant lease for space within the Property for a minimum of three (3) years, but less than four (4) years shall be permitted, provided the tenant allowance is equal to or less than Sixteen Dollars Eighty Cents (\$16.80) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of three (3) years, but less than two (2) years shall be permitted, provided the tenant allowance is less than or equal to Eight Dollars Forty Cents (\$8.40) per square foot of net rentable area.

(4) Four Year Term. The term of a new tenant lease for space within the Property for a minimum of four (4) years, but less than five (5) years shall be permitted, provided the tenant allowance is equal to or less than Twenty-Two Dollars Forty Cents (\$22.40) per square foot of net rentable area; the term of renewal of an existing lease for space within the Property for a minimum of four (4) years, but less than five

(5) years shall be permitted, provided the tenant allowance is less than or equal to Eleven Dollars Twenty Cents (\$11.20) per square foot of net rentable area.

f. Option Terms. The rent payable in any option term granted under a tenant lease shall be not less than one hundred percent (100%) of the then fair market rate for net rentals of similar properties in the central business district of Portland.

53. Limitation. No provision in a tenant lease shall vary materially from these Minimum Leasing Standards (as such may be amended from time to time) without the consent of Buyer.

54. Pre-Approved Leases. As of the Effective Date, Buyer has approved the renewal of certain tenant leases on terms other than the foregoing Minimum Leasing Standards, as set forth in Schedule 1 attached hereto (the "Pre-Approved Leases").

SCHEDULE 1
PRE-APPROVED LEASES

1. Fireman's Fund (renewal).
 - a. Term. Five (5) years
 - b. Rentable Area. Approximately 5,200 net rentable square feet (plus or minus 500 net rentable square feet) on the 7th floor
 - c. Rent. Per Minimum Leasing Standards
 - d. Tenant Improvement Allowance. Per mutually agreeable plan, currently estimated between \$10.50 and \$12.50 per net rentable square foot of area
 - e. Renewal Option. One-five (5) year term at 95% of market rate rent
 - f. Expansion Rights. 2,500 net rentable square feet of area anywhere in the building, in landlord's sole discretion

2. Mitchell, Lang & Smith.
 - a. Term. Five (5) years
 - b. Rentable Area. Approximately 14,932 net rentable square feet (plus or minus 1,000 net rentable square feet) on the 19th and 20th floors
 - c. Rent. Between \$17.00 and \$18.50 per net rentable square foot of area
 - d. Tenant Improvement Allowance. Between \$11.00 and \$13.00 per net rentable square foot of area

3. Bank of America.
 - a. Term. One (1) to five (5) years
 - b. Rentable Area. undetermined, on the 16th floor
 - c. Rent. \$18.00 per net rentable square foot of area

d. Tenant Improvement Allowance. Per Minimum Leasing Standards

4. Cappelli Miles, et al.

a. Term. One (1) to five (5) years

b. Rentable Area. Approximately 2,600 net rentable square feet on the 14th floor

c. Rent. Between \$15.50 and \$16.50 per net rentable square foot of area

d. Tenant Improvement Allowance. Per Minimum Leasing Standards

e. Expansion Rights. 700 net rentable square feet of area (plus or minus 200 net rentable square feet) of contiguous space

5. Steve Stiles.

a. Term. One (1) to two (2) years

b. Rentable Area. Approximately 826 net rentable square feet of area on the 14th floor

c. Rent. \$17.50 per net rentable square foot of area

d. Tenant Improvement Allowance. Per Minimum Leasing Standards

EXHIBIT N
EXTENSION NOTICE

[BUYER'S LETTERHEAD]

[Date]

MARATHON U.S. REALTIES, INC.
595 Market Street, Suite 2430
San Francisco, California 94105
Attention: Mr. James E. Christian

Re: Acquisition of One Main Place, Portland, Oregon;
EXTENSION NOTICE

Gentlemen:

This letter is to notify you that in accordance with Section 12(a) of that certain Agreement of Purchase and Sale (the "Agreement") entered by and between Multnomah County, as buyer, and Marathon U.S. Realities, Inc., as seller, for the purchase of certain improved real property known as One Main Place, located in the City of Portland, Multnomah County, State of Oregon, as more particularly described in the Agreement, Buyer hereby Seller of Buyer's election to extend the Closing Date, as that term is defined in the Agreement, for a period of thirty (30) days from _____, 1992. The new Closing Date shall therefore be _____, 1992.

Buyer hereby represents, warrants and certifies as follows:

1. A final decision has not been rendered with respect to the Validation Suit, as that term is defined in the Agreement (notwithstanding Buyer's diligence in prosecuting the same)
2. Buyer has not received written notice from Seller pertaining to any material default of Buyer under the Agreement [; and
3. Buyer has enclosed herewith a certified or cashier's check in the amount of Fifty Thousand Dollars (\$50,000) as payment in full of the Extension Fee, as that term is defined in the Agreement.] Thank you.

Very truly yours,

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

cc: Peter T. Healy, Esq.
Jeffrey M. Judd, Esq.

EXHIBIT O

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MARATHON U.S. REALTIES, INC., a Delaware corporation ("Seller"), does hereby transfer (without any warranties of fitness or use whatsoever), to MULTNOMAH COUNTY, a political subdivision of the State of Oregon ("Buyer"), all the personal property owned by Seller located on, attached to or used in connection with that certain real property described with particularity in Exhibit A attached hereto, as more particularly set forth in Exhibit B attached hereto and by this reference incorporated herein.

Dated this ____ day of _____, 1992.

"Seller"

MARATHON U.S. REALTIES, INC.,
a Delaware corporation

By _____
Its _____

EXHIBIT P

SALES NOTICE

[SELLER'S LETTERHEAD]

[CLOSING DATE]

TENANT'S ADDRESS

RE: Your Lease at One Main Place dated _____

Ladies and Gentlemen:

This is to inform you that the undersigned have transferred their interest in the above-referenced property and their interest in the above-referenced lease to Multnomah County, a political subdivision of the State of Oregon. Marathon U.S. Realities, Inc. will continue to manage the property and to act as the new owner's leasing agent. Accordingly, please continue to direct communications to the undersigned. Rent payments should be made to _____ and mailed to the following address:

Attn: _____

We appreciate our relationship with you, and we look forward to continuing to serve you in the future as property manager.

Very truly yours,

MARATHON U.S. REALTIES, INC.

By: _____

Its: _____

EXHIBIT Q

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES AND SECURITY DEPOSITS (the "Assignment") is entered as of this ____ day of _____, 1992, by and between MARATHON U.S. REALTIES, INC., a Delaware corporation, as assignor ("Assignor"), and MULTNOMAH COUNTY, a political subdivision of the State of Oregon, as assignee ("Assignee").

THE PARTIES ENTER THIS ASSIGNMENT on the basis of the following facts, intentions and understandings:

A. Assignor shall convey contemporaneously herewith to Assignee certain real property and all improvements thereon (the "Property") commonly known as One Main Place, located in the City of Portland, Multnomah County, State of Oregon, as more particularly described in Exhibit A attached hereto, pursuant to that certain Agreement of Purchase and Sale (the "Agreement") dated as of _____, 1992, by and between Assignor, as seller, and Assignee, as buyer.

B. Assignor has previously entered certain leases (the "Leases") pertaining to the Property, as set forth in Exhibit B attached hereto.

C. In connection with the Leases, Assignor has accepted certain security deposits (the "Security Deposits"), in the amounts set forth in the respective Leases, as summarized in Exhibit C attached hereto.

D. Assignor desires to assign landlord's interest in the Leases to Assignee, and Assignee desires to assume the same, and Assignor further desires to transfer the Security Deposits to Assignee, and Assignee desires to receive the same.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties provided for in the Agreement and in this Assignment, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Leases and with respect to the Security Deposits: Assignee hereby assumes all of Assignor's right, title, interest, duties, responsibilities, liabilities and obligations in and to the Leases and with respect to the Security Deposits.

2. Release and Indemnification. Assignee hereby releases and agrees to indemnify, defend and hold Assignor harmless from and against any and all claims, losses, costs, expenses or liabilities, including, without exception attorneys'

fees and costs, arising from or in connection with the Leases, from and after the Closing Date, as that term is defined in the Agreement excepting any claims based on Assignor's acts or failure to act prior to _____, 1992.

3. Miscellaneous.

(a) Attorney's Fees. If any suit or action be instituted to enforce the rights of either party under this Assignment, the losing party shall pay to the prevailing party reasonable attorneys' fees and court costs.

(b) Headings. The title and headings of the Sections hereof are intended solely for means of reference and are not intended to modify, explain or place any construction on any of the provisions of this Assignment.

(c) Modification. This Assignment may not be modified, amended or otherwise changed in any manner except by a writing executed by the party to be charged. To the extent there is any conflict between the terms and conditions of this Assignment and the terms and conditions of any other documents relating to the Leases at Property, as they relate to rights and obligations between Assignor and Assignee, the terms and conditions of this Assignment shall be deemed controlling.

(d) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Oregon.

(e) Counterparts. This Assignment may be signed in counterparts by each of the parties hereto.

(f) Construction. Each party participated in the preparation of this Assignment personally and with the benefit of counsel. If this Assignment is ever construed by a court of law or equity, such court shall not construe this Assignment or any

[remainder of page left blank intentionally]

provision hereof more harshly against any party as drafter.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first above written.

"Assignor"

MARATHON U.S. REALTIES, INC., a
Delaware corporation

By _____
Its _____

"Assignee"

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

By _____
Its _____