

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING)
THE EXECUTIVE OFFICER TO EXECUTE)
A LEASE WITH BUSINESS)
PROPERTIES INVESTMENT)
LIMITED PARTNERSHIP)

RESOLUTION NO. 95-2095

Introduced by
Mike Burton,
Executive Officer

WHEREAS, a requirement of the City of Portland Zoning Code was the inclusion of retail space along Grand Avenue at the Metro Regional Center; and

WHEREAS, a 1600 square foot retail space was designed and constructed and is located in the northwest corner of the Metro Regional Center's North Plaza; and

WHEREAS, Metro staff have negotiated a Lease, which is attached as Exhibit A, with Business Properties Investment Limited Partnership; and

WHEREAS, prior approval of leases of real property owned by the District is required by Metro Code 2.04.033 (a) (3); now therefore;

BE IT RESOLVED,

That the Metro Council authorizes the Executive Officer to execute the Lease with Business Properties Investment Limited Partnership which is attached as Exhibit A.

ADOPTED by the Metro Council this 16 day of February 1995.

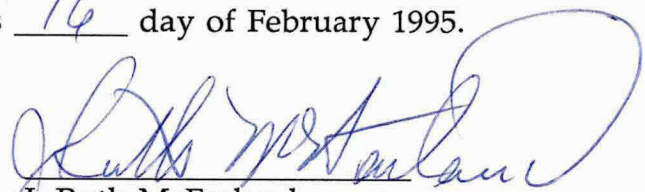

J. Ruth McFarland
Presiding Officer

EXHIBIT A

LEASE

This Lease made as of this _____ day of _____, 1995, between METRO, hereinafter referred to as "Landlord", whose address is 600 Northeast Grand Avenue, Portland, Oregon 97232-2736, and BUSINESS PROPERTIES INVESTMENT LIMITED PARTNERSHIP, hereinafter referred to as "Tenant", whose address is 622 Northeast Grand Avenue, Portland, Oregon 97232.

RECITALS

1. Landlord owns and occupies the building located at 600 NE Grand Avenue, Portland, Oregon 97232-2736, known as the Metro Regional Center.
2. Tenant desires to lease a portion, hereinafter referred to as the Premises and described herein on Attachment A, of that building from Landlord.
3. The parties desire to have a Lease agreement defining the terms of the Lease.

In consideration of mutual covenants herein contained, the parties agree as follows:

SECTION 1. PREMISES. Tenant leases from Landlord the Premises as described in Attachment A.

SECTION 2. TERM; POSSESSION.

2.1 Term. The Lease term shall commence on May 1, 1995 (the "Commencement Date") and continue for five years unless sooner terminated pursuant to the terms hereof. A "Lease Year," as such term is used herein, shall run from the Commencement Date or its anniversary ("Anniversary") until the day immediately preceding the next Anniversary.

2.2 Renewal Option. In the event the Lease is not in default at the time the option is exercised and the time the renewal term is to commence, then Tenant shall have the option to renew this Lease for one (1) term of five (5) years, as follows:

a) Commencement. The renewal term shall commence on the day following expiration of the original term.

b) The renewal option shall be automatically exercised unless the Tenant gives Landlord a written notice of cancellation not less than one hundred eighty (180) days prior to the expiration date of the Lease.

c) Terms and Conditions. The terms and conditions of the Lease for each renewal term shall be identical with the original term, except that the applicable rent due pursuant to Section 3 shall be adjusted for the initial year of the Renewal Term as provided in Section 3.3. No additional security deposit, other than the original 1,600.00 security deposit, shall be required during the renewal term.

2.3 Tenant's Work. Landlord will notify Tenant when the Building and Premises are ready for the commencement of Tenant's work and installation of Tenant's improvements, personal property and

performance of other work. Tenant, on request, will apprise Landlord of the date when the Premises are then expected to be ready for occupancy. Tenant shall submit plans of work to be performed to Landlord within ten (10) days of execution of Lease. Such plans shall be reviewed and approved or rejected by Landlord within five (5) days of submission by Tenant.

- a) Tenant will promptly begin, and complete with reasonable dispatch, construction on the Premises in accordance with the approved plans and specifications. All work shall be performed in a good and workmanlike manner and in conformity with all applicable laws, rules, regulations, codes and requirements of governmental authorities and insurers of the building and in conformity with all applicable restrictions, easements, reservations, exceptions, title, zoning and other governmental requirements. Tenant will comply with all provisions of ORS 279.350 regarding prevailing wage rates. Tenant's entry on the Premises for such purposes shall not impose any liability on Landlord for any such fixtures or equipment or work done by Tenant, and will, prior to commencing such work, cause Landlord to be insured from the date of Tenant's entry upon the Premises with liability insurance coverage elsewhere herein provided to be carried by Tenant during the term hereof.
- b) Landlord will pay to Tenant up to \$9,600 which Tenant will use to pay for the Tenant's improvements per the approved plans and specifications. Tenant will be responsible for all costs of such improvements above and beyond Landlord's payment of \$9,600. Landlord's payment is contingent on submission by Tenant of invoices evidencing improvement costs of at least \$9,600 and a valid permanent occupancy permit issued by the City of Portland for the Premises.

- 2.4 Delivery of Possession. Delivery of possession of the Premises (the "Possession Date") will occur on the earlier of: a) when the work required by this Lease to be performed by Landlord (if any) (the Landlord Work) is substantially completed; or b) when Tenant actually occupies or takes possession of Premises by, among other things, moving equipment, fixtures, materials or other personal property onto the Premises, or by commencement of Tenant's improvements to the Premises. Tenant shall not occupy or take possession of the Premises without first giving Landlord written notice thereof. Landlord shall have no liability for delays in delivery of possession caused by labor disputes, shortages of materials, acts of God, holdover by prior tenants, or other causes. All obligations of Tenant under this Lease except payment of Rent, shall commence as of the Possession Date. Payment of Rent shall commence as of Commencement Date. Tenant shall not have the right to terminate this Lease because of delay in the delivery of possession for any reason, unless possession is delayed beyond July 1, 1995; provided Tenant shall have no right to terminate if said delay is caused by the direct action or inaction of Tenant. In such event, Tenant shall have the option, by written notice to Landlord, given prior to tender of possession to Tenant, to terminate its future obligations under this Lease; provided, however, that Landlord shall not be liable to Tenant for any damages, but shall be required to return Tenant's security deposit. Notwithstanding the above, if possession is not delivered to Tenant on or before the Commencement Date, Tenant's

obligation to pay Base Rent will be delayed until possession is delivered, that is Tenant shall be entitled to one additional days free rent for each additional day which possession is delayed.

SECTION 3. RENT. Except as otherwise provided for in paragraph 2.5 above, Tenant shall pay to Landlord during the Lease Term the base Rent monthly for the Premises and any additional rent provided herein without deduction or offset. Base rent for any partial month during the term shall be prorated to reflect the number of days during the month the Tenant occupies the Premises. Additional rent means amounts determined under Paragraph 4. of this Lease.

The Base Rent for the first Lease Term shall be:

\$0.00/month	Months 1-3
\$1,600/month	Months 4-36
\$1,760/month	Months 37-60

Tenant acknowledges that the initial Base Rent as well as rent for all subsequent years of the Lease is computed based on a total of 1600 square feet, the square footage of the Premises.

3.1 Time and Place of Payment. Rent will be paid in advance on the first day of each month at the address for Landlord set forth in this Lease. Rent is uniformly apportionable day to day.

3.2 Security Deposit. Upon execution of this Lease, Tenant shall pay a security deposit to Landlord in the amount of \$1,600.00. The deposit shall be held by Landlord to secure all payments and performance due from Tenant under this Lease. Landlord may co-mingle the deposit with its funds and will owe no interest on the deposit. Landlord may apply the deposit to the cost of performing any obligation which Tenant fails to perform within the time required by this Lease, but such application by Landlord shall not be the exclusive remedy for Tenant's default. If the deposit is applied by Landlord, Tenant shall pay the necessary sum to replenish the deposit to its original amount upon Landlord's demand. To the extent not applied by Landlord, the deposit shall be refunded to Tenant within ten (10) days after expiration of the Lease Term.

3.3 Base Rent Adjustment. Base Rent for the Lease renewal option after the first Lease term shall be as follows:

\$1,760/month	Months 61-72
\$1,936/month	Months 73-108
\$2,129/month	Months 109-120

SECTION 4. UTILITIES; CUSTODIAL; OTHER CHARGES. This is a "triple-net" Lease, and Tenant shall pay as additional rent the items set forth below:

4.1 Taxes, Assessments, Capital Improvements. Tenant shall pay all real property taxes, assessments, and public charges on the Premises and underlying real property. Tenant will pay all such taxes and assessments owed by Tenant within ten (10) days after receipt of Landlord's notice of the amount due from Tenant.

a) Taxes for the first and last years of the term shall be apportioned as of the commencement and termination dates of the Lease.

- b) At the time of execution of the Lease, the only taxable portion of the Building is the Premises. In the event a further portion of the Building becomes subject to real property taxes, the portion of taxes due from Tenant shall be reasonably apportioned based on the ratio of the square feet of the Premises to the total taxable square footage.
- c) Landlord will assist Tenant by providing information regarding the Building and Premises in the event Tenant desires to appeal or in any other manner contest the taxing authorities valuation of the Premises.

- 4.2 Utilities. Tenant will be responsible for and pay when due all charges for services and utilities incurred in connection with the use, occupancy and operation of the Premises, including (without limitation) charges for telephone service, garbage and recycling hauling services, electricity and gas. In addition, where charges are not separately metered or stated, Tenant will be responsible for and pay when due the following:

Sewer and water \$33.00 / mo. during the initial Lease term

Landlord specifically reserves the right, at its reasonable discretion, to modify the fixed monthly fee for sewer and water obligations of Tenant based on evidence of increased actual usage by Tenant or by increases in charges imposed by the provider of sewage and water services.

- 4.3 Common Area Maintenance. Tenant will be responsible for and pay when due the following common area charges:

Landscaping	\$25.00 / mo. during mos. 0-36 of initial Lease term
Security	\$50.00 / mo. during mos. 0-36 of initial Lease term

The monthly fees for landscaping and security shall be increased by 10% for months 36 through 60 of the initial Lease term. In the event the Lease is renewed pursuant to Section 2.2, the fees for Common Area Maintenance shall be increased by 10% for months 73 through 108 and by an additional 10% for months 109 through 120.

- 4.4 Insurance. Tenant will be responsible for and pay when due property insurance cost at an annual rate of 50 cents per \$1000 of assessed property value of the Premises occupied by Tenant only. Landlord specifically reserves the right, in its reasonable discretion, to modify the annual rate of property insurance based on actual increases of this rate to Landlord. Landlord also has the right to pass through to Tenant the additional insurance costs provided for in Section 6.5.

SECTION 5. PARKING.

Tenant shall have the option of purchasing up to five (5) monthly parking spaces in the adjacent Metro Grand and Irving Parking Garage at the then current monthly rate. Use is limited to normal business hours during weekdays, except during recognized public holidays. This option for parking spaces is subject to the usual terms and conditions of the standard parking space rental agreement. No visitor parking is provided under this Lease.

SECTION 6. USE OF PREMISES.

- 6.1 Permitted Use. Tenant shall use the Premises only for general office purposes and for no other purpose without Landlord's written consent. Hours of operation of the Premises shall be set at the discretion of Tenant.

Tenant shall be permitted to provide one outdoor table and accompanying chairs for Tenant's use in the Plaza. Tenant's provision of the outdoor furniture is subject to Tenant receiving Landlord's prior written approval of the style and the placement within the Plaza of the outdoor furniture. In the event Tenant chooses to provide such outdoor furniture, Tenant shall assume all responsibility for its care, maintenance and use. Landlord shall assume no responsibility whatsoever for such outdoor furniture.

- 6.2 Compliance with Laws. In connection with its use, Tenant shall comply at its expense with all applicable laws, regulations and requirements of any public authority, including those regarding maintenance, operation, and use of the Premises and appliances on the Premises (including signs), including, but not limited to, the Americans with Disabilities Act, 42 USC 12101 et. sec., and all related or similar rules or regulations.

- 6.3 No Unlawful Activities. Tenant shall not make any unlawful, improper or offensive use of the Premises nor suffer any strip or waste thereof. Tenant shall not permit any objectionable noise or odor to escape or to be emitted from the Premises or do anything or permit anything to be done upon or about the Premises, Building, or Common Areas in any way tending to create a nuisance or disrupt Landlord's operation or other tenants of the Building. Tenant shall not sell or permit to be sold any spirituous, vinous or malt liquors on the Premise, nor shall Tenant sell or permit to be sold any controlled substance on or about the Premises or Building.

- 6.4 Supervision. Tenant shall keep the Premises clean and orderly and will supervise its employees and cause Tenant's agents, independent contractors, employees, customers, suppliers and invitees to conduct their activities in such a manner as to comply with the requirements of this Lease.

- 6.5 Fire Hazards. Tenant shall not allow the Premises at any time to fall into such a state of repair or disorder as to increase the fire hazard thereon, nor shall Tenant install any power machinery on the Premises except under the supervision and with the written consent of Landlord. Tenant shall not store gasoline or other highly combustible materials on the Premises at any time, nor shall Tenant use the Premises in such a way or for such a purpose that the fire insurance rate on the Premises or Building is thereby increased or that would prevent Landlord from taking advantage of any rulings of any agency of the State in which the Building is located, which would allow the Landlord to obtain reduced premium rates for long-term fire insurance policies. As further additional Rent, Landlord shall have the right to pass-on to Tenant, on a dollar for dollar basis, the full amount of any casualty

insurance increase ("Surcharge") resulting exclusively from Tenant's use of the Premises. However, in the event of a Surcharge, Landlord shall cause its insurance company or agent to write a letter of memorandum specifically outlining the factors causing the insurance company to impose the Surcharge and the amount of the same. Said letter or memorandum shall be signed by Landlord's authorized insurance agent or insurance company representative, which shall be delivered to either Landlord or Tenant, if Landlord receives the letter or memorandum, then Landlord shall promptly forward the same to Tenant.

- 6.6 Common Areas and Sidewalks. All common areas and the sidewalks in front of the Premises shall be used in strict compliance with Landlord's reasonable rules, regulations and requirements for such areas.
- 6.7 Name of Business. The advertised name of the business operated on the Premises shall be "Financial Services Company".
- 6.8 Storage, Trash. Tenant shall not store anything outside except in areas approved by Landlord. Tenant shall use only trash and garbage receptacles approved by Landlord. Tenant shall dispose of trash and other matter in a manner reasonably acceptable to Landlord, at Tenant's expense. Notwithstanding the above, Landlord, subject to code requirements, consents to Tenant's storing trash overnight (one night only) in the Premises, so long as the same does not attract pests or vermin, is promptly moved to the designated garbage area the next morning, and finally, so long as the trash is not visible from outside the Premises.
- 6.9 Regulations. Landlord shall have the right to make and enforce reasonable rules and regulations consistent with this Lease for the purpose of regulating access, parking, and the use of common areas and Tenant's use of sidewalks adjacent to the Premises, establishing standards and requirements concerning the conduct and operation of the business, and promoting safety, security, order, attractiveness, cleanliness, and good service to the Premises, Building and adjacent property. Tenant will promptly comply with all such rules and regulations. Tenant specifically acknowledges that, among other things, Landlord shall require compliance with temporary signage guidelines and the Building's Smoking Policy.
- The Building's Smoking Policy prohibits smoking within the Building and the Premises and designates the covered outdoor pavilion located in the northeast section of the North Plaza as the designated smoking area for visitors and employees of the Building and Premises.
- 6.10 Debris. Tenant shall keep the sidewalks and any stairs in front of its Premises free and clear of any rubbish, debris and obstruction which is generated by Tenant, Tenant's employees, visitors, agents or contractors. Further, Tenant shall not obstruct or leave its rubbish or debris in any common area (excepting in designated receptacles in the garbage area) or exterior stair of the Building. Tenant shall not use salt or any other substance that may be harmful to sidewalks or any other surfaces.

6.11 Overloading, Damage or Mistreatment of Building. Tenant will not overload the ceiling supports, ceiling grid, ceiling tile, walls or floors of the Premises, Building or any part thereof. Moreover, Tenant, its agents, employees and contractors will not misuse, overload or abuse any mechanical or structural element of the Premises or Building. Landlord shall have the right at any time to call upon any competent engineer or architect whom Landlord may choose, at Landlord's sole expense, to decide whether or not any mechanical or structural elements of the Premises, or any part thereof, are being overloaded, misused or abused so as to cause any undue or serious damage, stress or strain. The decision of said engineer or architect shall be final and binding upon Tenant, and in the event that the engineer or architect so called upon shall decide that in his opinion the misuse, abuse or stress or strain is such as to endanger or injure the Building or any part thereof, the Tenant shall immediately relieve said stress or strain either by ceasing and desisting from such misuse, abuse or overloading, and, if necessary, reinforcing and/or repairing the Building in a manner satisfactory to Landlord.

6.12 Hazardous Substances. Tenant shall comply with all environmental laws and exercises the highest degree of care in the use, handling and storage of Hazardous Substances, and shall take all practical measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Tenant shall not cause or permit any Hazardous Substances to be spilled, leaked, disposed of, or otherwise released on or under the Premises or Building. In the event of such a spill, leak or release, Tenant shall at Tenant's sole expense effect an immediate cleanup to the satisfaction of Landlord and governmental agencies having jurisdiction, and shall indemnify, defend and hold Landlord harmless from all claims, liabilities and expenses arising therefrom. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the business specified in Section 6.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Upon the expiration or termination of this Lease, Tenant shall remove all Hazardous Substances from the Premises. The term "Environmental Law" shall mean any federal, state or local statute, regulation, rule, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste, or material as defined or listed by or included within the scope of the definition of any Environmental Law, and shall include, without limitation, petroleum oil and its derivatives. Tenant shall have no obligation to clean up or pay for the clean up of the Premise, the Building or adjacent property, except to the extent that Tenant is the cause of the violation of the Environmental Laws or the presence of a Hazardous Substance.

6.A Landlord's Representations Regarding Environmental Matters.

6.A.1 Environmental Representations. Landlord represents and warrants to Tenant as follows:

- a) That it has no knowledge, after due investigation, of the presence of any Hazardous Substance (as defined in Section 6.13 above) other

than in immaterial quantities or handled and used in material compliance with all applicable Environmental Law (as defined in Section 6.13 above) in or under the Building; and

- b) That, in connection with the construction of the Building to date, Landlord has no knowledge of any failure to comply with any Environmental Law, nor knowledge of the presence, use, generation, or disposal of any Hazardous Substances, except for the proper handling and use of immaterial quantities of Hazardous Substances commonly used in construction.

6.A.2 Landlord's Environmental Indemnity. Landlord agrees to indemnify and hold Tenant harmless from and against any and all claims, demands, losses, liens, liabilities, penalties, clean up costs, fines, lawsuits, and other proceedings and costs and expenses (including reasonable attorneys' fees and disbursements), to the extent they are not a direct result of use by the Tenant of the Premises.

SECTION 7. MAINTENANCE AND ALTERATIONS.

7.1 Tenant's Obligations. Landlord shall not be required to make any repairs, alterations, additions or improvements to or upon the Premises or Building during the term of this Lease, except only those specifically hereinafter provided for in Section 7.2 below. Tenant hereby agrees to maintain and keep the Premises, including all interior doors and relites in as good repair, operating condition, working order and appearance, and as clean and safe during the entire term of this Lease as they were as of the Possession Date, at Tenant's own cost and expense. In this regard Tenant shall, as necessary: a) replace equipment and fixtures, b) replace broken or damaged interior glass in the windows and doors of the Premises with glass of as good or better quality as that now in use, and c) paint the interior of the Premises. Finally, Tenant hereby agrees to be responsible and pay for the repair or replacement of any part of the Building damages as a result of the action or inaction of Tenant or its agents, independent contractors, employees, suppliers, or invitees; provided that Tenant's obligation to pay for the damage caused by its invitees and suppliers shall be limited to damages to the Premises, its windows or doors only.

7.2 Landlord's Obligations; Representations. Landlord agrees to maintain in good order and repair during the term of this Lease the exterior walls and glass, roof, gutters, down spouts, structural systems and foundations, sidewalks and exterior stairwells, heating, ventilating and cooling systems, electrical service and water service to the Premises and drain pipes of the Premises. It is understood and agreed that Landlord reserves and at any and all times shall have the right to repair or improve the Building or to add thereto, and, for that purpose, at any time may erect scaffolding and other necessary structures about and upon the Building and Premises. In such event, Landlord and Landlord's representatives, contractors and workmen may enter in or about the Building and Premises, with prior notice, with such materials as Landlord may deem necessary therefor. Tenant waives any claim against Landlord for damages, including disruption of business resulting therefrom, caused by third parties not in Landlord's control. To the best of Landlord's knowledge, the Premises as turned over to

Tenant are in compliance with the structural (including access to the interior of the Premises) requirements of the Americans with Disabilities Act ("ADA"). To the extent that the Premises are not, Landlord will be responsible for compliance. This shall not reduce Tenant's obligation itself to comply with the requirements of the ADA with respect to its own leasehold improvements.

- 7.3 Alterations; Signs. Tenant shall not alter, add to or improve the Premises, Building or install additional electrical equipment, machinery or any signs without Landlord's prior written consent. All alterations shall be made in good and workmanlike manner, and any alterations and fixtures, including partitions, plumbing, electrical wiring and other additions and improvements, installed by Tenant (other than trade fixtures, equipment and signs) shall become part of the Building and belong to Landlord. The parties agree as follows:

- a) Signs. Landlord will consider, at its sole discretion, allowing Tenant to place signage identifying Tenant on the Building facade. Landlord's prior approval of the placement and design of signage by Tenant is required prior to installation of Tenant signage. All Tenant signage shall be in conformance with the sign code, shall not damage the Premise's exterior, and in Landlord's reasonable opinion, shall be tasteful. In any event, the signage and its installation shall be at the sole cost and expense of Tenant.

SECTION 8. LIENS. Tenant shall pay as due all claims for work done on or for services rendered or material furnished to the Premises or, on its behalf, to the Building, and shall keep the Premises and Building free from any liens other than liens created by Landlord or other tenants; provided, however, that so long as Tenant escrows cash with Landlord or provides a surety bond sufficient to pay the claim or lien. Tenant shall not be required to pay a claim or lien which it is validly contesting and the non-payment of which does not constitute a default by Landlord under any financing against the Building. If Tenant fails to pay such claim or to discharge any lien created or suffered by Tenant, Landlord may do so and collect such amount as additional rent. Amounts paid by Landlord shall bear interest and be repaid by Tenant as provided in Paragraph 11.3 below. Such payment by Landlord shall not constitute a waiver of any right or remedy Landlord may have because of Tenant's default.

SECTION 9. DEFAULT BY TENANT. The following shall be event of default by Tenant:

- 9.1 Payment Default. Failure of Tenant to make any rent or other payment under this Lease within ten (10) days that it is due, provided, however that Landlord shall give Tenant notice and ten (10) days following such notice to cure such default. However, Landlord shall have no obligation to give notice if Landlord has previously given Tenant notice of a failure to make the same type of payment twice in the last twelve (12) months.
- 9.2 Unauthorized Transfer. Tenant makes any transfer without Landlord's prior written consent as required in this Lease or as provided in paragraph 15.

9.3 Abandonment of Building. Tenant abandons the Premises, for which purpose "abandons" means a failure of Tenant to occupy and use the Premises for the purposes permitted under this Lease for a continuous total of seven (7) business days or more during the Lease Term.

9.4 Default in Other Covenants. Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within thirty (30) days after notice by Landlord specifying the nature of the default with reasonable particularity. However, if the nature of Tenant's default is such that more than thirty (30) days are required for performance, then Tenant shall not be in default if Tenant commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

SECTION 10. DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time. However, Landlord shall perform its obligations within thirty (30) days after receiving written notice from Tenant specifying where and how Landlord has failed to perform its obligations. However, if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

10.1 Landlord's Liability. Landlord shall have no liability to Tenant for acts of other tenants or users of the Building or adjacent property or acts of any third party (except for acts of Landlord's employees and agents), or for any defect in the Premises or Building which is the responsibility of Tenant under this Lease, or for any interruption or failure in the supply or utilities or services to the Premises or Building; providing, however, that Landlord will make all reasonable efforts promptly to restore or cause the restoration of the utility or service.

SECTION 11. REMEDIES ON DEFAULT. Upon default, Landlord may exercise any one or more of the following remedies, as well as any other remedy available under applicable law:

11.1 Retake Possession. Landlord may reenter and retake possession of the Premises either by summary proceedings, force, any other applicable action or proceeding, or otherwise, all without notice, to Tenant except as may be required by law. Landlord may use the Premises for Landlord's own purposes or relet it upon any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance of surrender by Tenant.

11.2 Damages for Default. Whether or not Landlord retakes possession or relets the Premises, Landlord may recover damages caused by the default (including but not limited to unpaid rent, reasonable attorneys' fees relating to the default, and reasonable costs of reletting). Landlord may sue periodically to recover damages as they accrue during the remainder of the Lease Term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining Lease Term.

- 11.3 Cure of Tenant's Default. Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The cost of performance, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of fifteen percent (15%) per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

SECTION 12. SURRENDER AND EXPIRATION.

- 12.1 Condition of Building. Upon expiration of the Lease Term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in "first class condition". "First class condition" is defined as the broom clean condition of the Premises upon the completion of the approved tenant improvements. Depreciation and wear from ordinary use for the purpose for which the Premises was let need not be restored, but all repairs for which Tenant is responsible shall be completed to the latest practical date prior to such surrender and in a first-class manner.
- 12.2 Fixtures. Tenant shall remove all of its furnishings, furniture and trade fixtures that remain the property of the Tenant and restore all damage caused by such removal prior to the expiration of the term or within ten (10) days in the event of the sooner termination. If Tenant fails to effect such removal within twenty (20) days after Landlord's notice in writing and request for removal, this failure shall constitute an abandonment of the property and the Landlord may retain the property and all rights of Tenant with respect to it shall cease. In the alternative, by notice in writing given to Tenant within twenty (20) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, restoration, transportation to storage, and storage, with interest on all such expenses as provided in Paragraph 12.3 below.
- 12.3 Holdover. If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of the Lease (except that the term will be month to month and the initial Base Rent will be 115 percent of the amount of Base Rent being paid by Tenant at the expiration of the Lease Term), or to eject Tenant from the Premises and recover damages caused by wrongful holdover.
- 12.4 For Rent Signs. During the period of one hundred (100) days prior to the date above provided for the termination of this Lease, Landlord may post on the Premises signs notifying the public that the Premises are "for lease".

SECTION 13. INSURANCE. The Tenant shall hold and save harmless Landlord, and indemnify and defend its elected officials, employees and agents from damages arising out of acts of Tenant, Tenant's employees, agents, independent contractors and visitors. Tenant shall continuously

maintain at its expense comprehensive general liability insurance on its business in the Premises with a combined single limit of One Million Dollars (\$1,000,000), or such higher limits as Landlord may reasonably require from time to time. Tenant shall also maintain such other insurance on Tenant's operation as Landlord may reasonably require during the Lease Term. All such insurance shall name Landlord, its elected officials, departments, agents and employees as an additional insured and shall contain a contractual liability endorsement referring to this Lease. The policies shall be in a form, amounts and with companies reasonably acceptable to Landlord. Certificates evidencing such insurance and bearing endorsement requiring thirty (30) days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the Building. Tenant shall also notify Landlord prior to any change or cancellation of such insurance.

SECTION 14. WAIVER OF RIGHTS. Each party hereby releases the other from any and all liability or responsibility to the other (or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to the Premises, the Building, or property thereon caused by peril which would be covered by a standard "all risks" property insurance policy and water damage, whether or not such insurance is in force or is collectible, even if such loss or damage shall have been caused by the fault or negligence of the party, or anyone from whom such party may be responsible.

SECTION 15. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease or further sublet all or part of the Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold consent to any assignment or subletting provided the proposed tenant is compatible with Landlord's standards for the Building and is financially sound. The giving of such consent in one instance shall not preclude the need for Tenant to obtain Landlord's consent to further transfers.

Notwithstanding the above, Tenant may enter into office sharing arrangements with parties engaged in similar and/or compatible businesses as Tenant. In the event Tenant does enter into such office sharing arrangements, Tenant shall remain completely responsible for all obligations of this Lease.

SECTION 16. GUARANTY. For further consideration for entering into this Lease, Gerald L. Miller shall grant the Limited Personal Guaranty which is attached hereto as Attachment B.

SECTION 17. ATTORNEYS' FEES. In the event of any suit or action by either party to enforce any provision of this Lease, or in any other suit or action arising out of or in connection with this Lease, the prevailing party shall be entitled to recover its costs or suit or action and reasonable attorneys' fees whether at trial or appeal.

SECTION 18. CUMULATIVE RIGHTS AND REMEDIES. No right or remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other rights and remedies at law or in equity.

SECTION 19. TIME OF THE ESSENCE. Time is of the essence of the performance of each of Tenant's obligations in this Lease.

- SECTION 20. AMENDMENTS. This Lease shall not be amended or modified except by agreement in writing signed by both parties.
- SECTION 21. ATTACHMENTS. Attachments "A" and "B" which are referred to in this Lease are attached hereto and by this reference incorporated herein.
- SECTION 22. CONSENT OF LANDLORD. Whenever consent, approval or direction by Landlord is required under the terms contained herein, all such consent, approval or discretion must be in writing and shall not be unreasonably withheld.
- SECTION 23. QUIET POSSESSION. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have the quiet possession of the Premises for the entire term and any extensions hereof, subject to all provisions in this Lease.
- SECTION 24. SECTION HEADINGS. The section headings to the sections of this Lease are not part of the Lease and shall have no effect upon the construction or interpretation of any part of it.
- SECTION 25. COMPLETE AGREEMENT. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, advertising, agreements and understandings, oral or written, if any, between all parties, including but not limited to Landlord, Tenant, Tenant's agent(s), employee(s), or displayed by Landlord or its agents to Tenant with respect to the subject matter of this Lease, the Premises or the Building. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is solely upon representations contained in this Lease.
- SECTION 26. THIRD PARTIES. Landlord and Tenant are the only parties in this Lease and as such are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct or indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.
- SECTION 27. ESTOPPEL CERTIFICATES. Within seven (7) days after Landlord's written request, Tenant shall deliver a written statement stating the date to which the rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that may reasonably be requested.
- SECTION 28. INSPECTION. Landlord or its authorized representatives may enter at any time to determine Tenant's compliance with this Lease, to make necessary repairs, or to show the Premises and Building to any prospective tenants or purchasers; provided, however, that, except in the case of emergency repairs, such entry will be: a) made only on at least 24 hours prior oral or written notice, b) during normal business hours, and c) with an employee of Tenant to accompany Landlord or its representatives.

SECTION 29. REPRESENTATIONS. Tenant certifies that no representations as to the condition or repair of the Premises have been made by Landlord or its agents, and that no agreement to alter, repair, or improve said Premises has been made by Landlord, except for as expressly set forth herein.

SECTION 30. PARTIAL INVALIDITY. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and other provisions shall remain in full force and effect.

SECTION 31. OBSERVANCE OF LAW. Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force during the term of this Lease, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises.

SECTION 32. CHOICE OF LAW. This Lease shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, the said parties have hereunto executed and delivered this Lease as of the date first written above.

Landlord: METRO

Tenant: BUSINESS PROPERTIES INVESTMENT
LIMITED PARTNERSHIP

By: _____
Mike Burton
Executive Director

By: _____

Date: _____

Date: _____

APPROVED AS TO FORM

Daniel B. Cooper
General Counsel

Date: _____

1600 S.F.

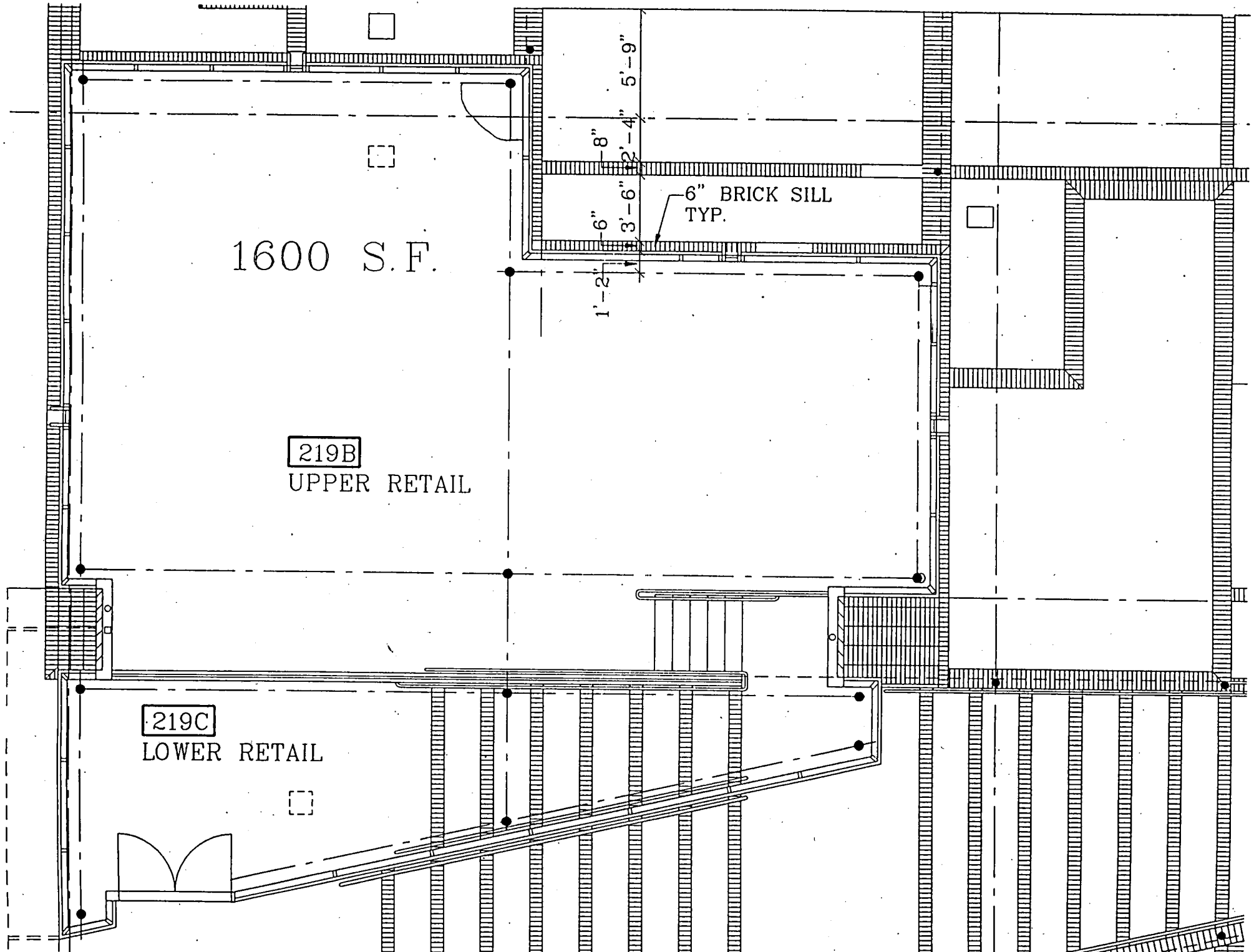
219B
UPPER RETAIL

219C
LOWER RETAIL

6" BRICK SILL
TYP.

1'-2"
3'-6"
2'-4"
5'-9"

ATTACHMENT A



ATTACHMENT B

LIMITED PERSONAL GUARANTY

Gerald L. Miller

Guarantor

PO Box 11005

Street

Portland, OR 97211

City, State, Zip

Business Properties Investment Limited Partnership

Name of Entity for Which Guaranty
is Extended (herein "Tenant")

In consideration for entering into the Lease by Metro with the Tenant, Guarantor makes the following guaranty:

I personally guaranty and bind myself to pay to Metro, on demand, any sum that the Tenant is obligated to pay Metro and has failed to pay and to perform all obligations of the Lease which Tenant has failed to perform. This Limited Personal Guaranty shall be immediately effective upon dissolution of the Tenant and remains effective throughout the remaining term of the Lease.

(Type or Print Name)

(Signature of Guarantor)

(Date Signed)

(Witness or Notary)

(Address)

(Date Signed)

Staff Report

CONSIDERATION OF RESOLUTION NO. 95-2095 FOR THE PURPOSE OF AUTHORIZING EXECUTION OF A LEASE WITH BUSINESS PROPERTIES INVESTMENT LIMITED PARTNERSHIP

Date: February 2, 1995

Presented by: Berit Stevenson

Background and Analysis

Metro staff have been working on securing a tenant for the North Plaza Retail space since Spring 1994. To assist with this project, Cynthia Sturm with Grubb and Ellis, has been retained as the listing agent on the property. During this period, approximately 30 inquiries have been addressed by either Metro staff or Ms. Sturm and negotiations have ensued with two prospective tenants. One round of these negotiations have resulted in the proposed lease which is the subject of this Resolution 95-2095.

The prospective tenant is Business Properties Investment Limited Partnership, an Oregon limited partnership which owns substantial investment property in Northeast Portland. Metro staff have had discussions with the principles involved in the Partnership's general partner, Riverside Investment & Development Company and have reviewed pertinent financial information of these parties and the Partnership and feel that they have the resources and the ability to meet the obligations of the Lease.

The terms of the Lease include an initial base rent of \$1600.00 per month or \$12 per square foot. This rate is within the range for market rates for this type of space in this area. The rate escalates over the five year term of the lease by 3.3% per year. The Lease is "triple net" meaning that in addition to base rent the tenant is responsible for all operating expenses such as utilities, security, taxes and insurance. There is a renewal option of an additional five years which the tenant may choose to exercise. The current condition of the space requires significant tenant improvements to ready the space for occupancy. The tenant is responsible for these costs with the exception of a \$9,600.00 allowance which Metro will pay. Upon expiration of the Lease, these improvements remain in place and become the property of Metro. Lastly, the Lease includes a three month "free rent" period which is a typical concession made in leases of this type.

The use which is proposed by the Tenant is typical office use. There will be four small businesses which will "office share" the space. Notwithstanding

the "office share" arrangements, the Partnership will remain obligated to fulfill all obligations of the Lease. The businesses will collectively call themselves Financial Services Company and will be involved in mortgage broker, property management and commercial construction ventures.

Budget Impact

Sufficient funds have been earmarked in the General Bond Fund to cover the tenant improvement allowance which will be a responsibility of Metro. The fee due to Ms. Sturm and Grubb and Ellis will be paid from the Building Management Fund. Minor income from lease payments will begin in May 1995, with the full lease payments becoming due beginning in August of 1995.