

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 09-17

For the Purpose of Authorizing a Modification of Office Lease between MERC and Clarus Property Ventures

WHEREAS, Metro, by and through MERC, leases to Clarus Property Ventures, Inc. ("Clarus" or "Tenant"), approximately one thousand seven hundred ninety eight (1,798) square feet of space (the "Premises") located on the fifth floor of the Portland Center for the Performing Arts ("PCPA") property located at 1111 SW Broadway, Portland Oregon 97205, one of the Commission's facilities ("Lease"); and

WHEREAS, the Initial Term of the Clarus Lease was a three-year term that commenced on August 15, 2007, and is set to expire on August 14, 2010, with Tenant having a one-time option to renew the Lease for a two-year Extension Term at an increased rate as set out in the Lease; and

WHEREAS, Tenant is having financial difficulties including difficulties in meeting their monthly rent rate as set forth in the Lease; and

WHEREAS, Tenant is a desirable tenant and the Premises are small and difficult to rent, and it is the Staff's judgment, after consulting with commercial real estate leasing sources, that the current rent charged to Tenant under the Lease is higher than market, and that PCPA would have difficulty locating a desirable Tenant for these Premises at the current lease rental rate; and

WHEREAS, PCPA would like to modify the Lease to reduce the monthly rent set forth therein by 50% in the first 6 months of their 3rd contract year, and back to full price in the second half, and to renegotiate the rental rate in the Extension Term based on market rates at that time; and

WHEREAS, contracts for the lease or use of the convention, trade, and spectator buildings and facilities operated by MERC are "special procurements" under Metro Code 2.04.053 (9) and are thereby exempt from the public bidding requirements of ORS Chapter 279B; and


WHEREAS, the Staff recommends that the Commission approve this lease modification;

BE IT THEREFORE RESOLVED AS FOLLOWS:

1. The Metropolitan Exposition-Recreation Commission approves the modification of the Clarus Lease to reduce the monthly rent set forth therein by 50% in the first 6 months of their 3rd contract year, and back to full price in the second half, and to renegotiate the rental rate in the Extension Term based on market rates at that time;


2. The Metropolitan Exposition-Recreation Commission authorizes the MERC Interim General Manager to execute a lease amendment consistent with this resolution, in a form approved by legal counsel.

Passed by the Commission on November 4, 2009.




Chair

Approved as to Form:



Alison Kean Campbell,
Deputy Metro Attorney



Secretary-Treasurer

**AMENDMENT TO
OFFICE LEASE**

THIS AMENDMENT (the "Amendment") is effective November 4, 2009 ("Amendment Date"), by and between METRO, a municipal corporation organized under the laws of the State of Oregon and the Metro Charter, by and through the METROPOLITAN EXPOSITION RECREATION COMMISSION ("MERC") (METRO and MERC jointly referred to herein as "Landlord") and CLARUS PROPERTY VENTURES, INC., a Delaware corporation ("Tenant") whose principal place of business is 1111 SW Broadway, Portland, Oregon 97205-2913.

RECITALS

WHEREAS, Landlord and Tenant entered into an Office Lease (the "Lease") dated August 15, 2007, wherein Landlord leased to Tenant and Tenant leased from Landlord, upon the terms and conditions set forth therein, certain premises consisting of approximately one thousand seven hundred ninety eight (1,798) square feet of space (the "Premises") located on the fifth (5th) floor of the PCPA; and

WHEREAS, the parties wish to amend the Lease and the amendment has been authorized by the MERC Commission via MERC Resolution No. 09-17 on November 4, 2009; and

NOW THEREFORE, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, Seller and Metro hereby agree to amend the Agreement as follows:

1. Section 3(a) of the Lease is amended to change the rental rate for Year 3 of the Initial Lease Term, as follows [underlined is new]:

- a. Monthly Rent. The monthly base rent (the "Base Rent") for the first six months of Year 3 in the Initial Lease Term, i.e. August 15, 2009 through February 15, 2010, shall be One Thousand Sixty One Dollars and Five Cents (\$1,061.05) per month; and the Base Rent for the last six months of Year 3 in the Initial Lease Term (i.e. February 15, 2010 through August 14, 2010) shall be Two Thousand One Hundred Twenty-Two Dollars and Ten Cents (\$2,122.10) per month.

If the Option is exercised by Tenant, the Base Rent for the fourth (4th) year after the Rent Commencement Date, or the first (1st) year of the Extension Term, shall be Two Thousand One Hundred Eighty-Five 76/100 Dollars (\$2,185.76) per month. The Base Rent for the fifth year after the Rent Commencement Date, or the second (2nd) year of the Extension Term, shall be Two Thousand Two Hundred Fifty-One and 33/100 (\$2,251.33) per month.

2. Landlord and Tenant hereby ratify and confirm these modifications to the terms of the Agreement. All other terms of the Agreement shall remain in full force and effect.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

In witness whereof, duly authorized representatives of Landlord and Tenant have executed this Lease on the Effective Date.

**METROPOLITAN EXPOSITION
RECREATION COMMISSION**

By: _____
Cheryl Twete
Interim MERC General Manager

Date: _____

**PORTLAND CENTER FOR THE
PERFORMING ARTS**

By: _____
Robyn Williams
Executive Director

Date: _____

CLARUS PROPERTY VENTURES, INC.

By: _____

Name: _____

Title: _____

Date: _____