JAN 80, 1994

January 17, 1994

Douglas E. Butler Interim Director of Regional Services Metro 600 NE Grand Avenue Portland, OR 97232-2736

Dear Mr. Butler:

We are in receipt of your letter dated January 5, 1994. Your reference therein to the commencement of negotiations for leased space at 2000 SW First Avenue does not accurately represent the facts. Metropolitan Family Service negotiated, in good faith, a lease agreement. The terms of the lease agreement were set forth in a letter signed by all parties and dated October 25, 1993.

As we have stated on numerous occasions, your council's failure to honor that lease agreement has resulted in Metropolitan Family Service incurring extensive damages. We appreciate your council's perspective and willingness to assist from this point forward. However, we will accept such assistance as may be appropriate only upon the condition that it is without any prejudice to our claim for damages.

We anticipate finding alternative space in the very near future. At that point, we will have a clearer idea of our extent of damages. We anticipate contacting Rena Cusma at that time to commence negotiations so this matter can be resolved without litigation.

Cordially,

Gary Witners

Executive Director/CEO