

**METRO**

February 15, 1994

Mr. James Cooper
Executive Director
Vo-Tech Career Center
9320 SW Barbur Blvd.
Suite 150
Portland, OR 97219

Re: Proposed Sublease Terms for Metro Center/2000 SW First Avenue

Dear James:

Thank you for your informative briefing on Vo-Tech Career Center and related activities. You have an exciting concept and I certainly wish you the best in pursuing it.

Outlined below are the terms for a sublease of the Metro Center at 2000 SW First Avenue which I am prepared to recommend and support with Metro's Executive Officer and Council and with the building owner, AMCO, all of whom must formally approve the proposed lease:

Square Footage: The entire building, consisting of approximately 44,600 square feet on four floors. Vo-Tech will have the right, subject to prior approval by Metro and the building owner, to sublease to the current or other tenants.

Occupancy Date: September 1, 1994

Access Date: Vo-Tech shall be granted full access to the building from the date of execution of a lease to the Occupancy Date for the purposes of doing required inspections, developing space plans, obtaining permits, and making required improvements as approved by Metro and the building owner.

Rental Payments: \$12,000 for the month of September, 1994 due September 1, 1994; \$16,000 for the month of October, 1994 due October 1, 1994; and \$24,230.00 per month for the balance of the lease term beginning on November 1, 1994.

These payments are net of all operating costs which shall be the sole obligation of Vo-Tech Career Center.

Building Operation: Vo-Tech shall be responsible for all building operations, maintenance and repairs beginning September 1, 1994.

Tenant

Improvements: Metro will provide a one-time Tenant Improvement Allowance of Two Hundred and Seventy-Five Thousand and No/100 (\$275,000) Dollars. Vo-Tech shall be solely responsible for all permits and construction of tenant improvements subject to prior approval by Metro and the building owner. Progress payments from the Tenant Improvement Allowance shall be disbursed to Vo-Tech on a reimbursable basis upon presentation of invoices and verification by Metro of work completion.

Lease Term: Twenty-four (24) months, beginning September 1, 1994 and ending August 31, 1996.

Parking: Vo-Tech shall have the use and control of all parking associated with the Metro Center at 2000 SW First Avenue.

Guarantees: Vo-Tech shall provide a guarantee at the time of execution of the subject lease in a form acceptable to Metro. This guarantee shall be in an amount equal to Metro's out of pocket expenses for the tenant improvement allowance and for related real estate commissions.

The amount of this guarantee shall automatically reduce on the first of each month beginning on March 1, 1995 to an amount equal to the original guarantee divided by twenty-four (24) and multiplied by the remaining number of months on the unexpired lease term. In no event will Metro release guarantor of the obligation to pay an amount equal to the last month's rent until the lease is terminated and lessee has performed all of its obligations.

Contingencies: This offer is contingent on Vo-Tech obtaining any required occupancy permits, building permits, or fire marshall approval. Vo-Tech shall be solely responsible for any costs associated with these approvals including fees, design services and actual improvements.

Also, prior to the execution of a lease, Vo-Tech shall have the right to

inspect the HVAC system. The approval of this inspection is at Vo-Tech's sole discretion.

Broker:

Both Metro and Vo-Tech acknowledge that CB Commercial Real Estate Group, Inc. represents both the Sublessee and Sublessor in this transaction.

METRO AND VO-TECH ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE AND THAT IT IS INTENDED AS THE BASIS FOR THE PREPARATION OF A LEASE BY METRO. THE LEASE SHALL BE SUBJECT TO THE METRO EXECUTIVE OFFICER'S, METRO COUNCIL'S AND VO-TECH'S APPROVAL AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A LEASE FOR THE PREMISES. BROKER MAKES NO WARRANTY OR REPRESENTATION TO EITHER PARTY THAT ACCEPTANCE OF THIS PROPOSAL WILL GUARANTEE THE EXECUTION OF A LEASE FOR THE PREMISES.

If the terms outlined above are agreeable, please sign below indicating Vo-Tech's intent to obtain the necessary guarantee and to pursue a lease which is substantially consistent with the terms outlined above.

Best Regards,

METRO



Douglas E. Butler
Interim Regional Facilities Director
503/797-1715

Agreed and accepted this 22ND day of February, 1994.

James Cooper
Executive Director
Vo-Tech Career Center

