

ADDENDUM TO LEASE

THIS ADDENDUM is entered into between JACK L. MELCHOR (Lessor) and CITY OF PORTLAND, OREGON (Lessee).

RECITALS: Lessor and Lessee entered into that certain Lease dated December 12, 1979, for premises on the second floor and third floor of the 621 S. W. Alder Building, 621 S. W. Alder Street, Portland, Multnomah County, Oregon, which Lease is incorporated herein by this reference. Paragraph 37.1 of the Lease provides that upon receipt of Lessee's written approval of the working drawings, Lessor shall use his best efforts to complete the required remodeling within 60 days. The approved working drawings were delivered by Lessee to Lessor on February 14, 1980. Lessee requires possession by April 1, 1980. The parties therefore desire to modify the Lease as below set forth.

IT IS AGREED:

1. Possession of the premises shall be tendered to the Lessee no later than April 1, 1980. Lessor shall use his best efforts to complete as much of the required remodeling as possible by April 1, 1980, and from and after April 1, 1980, Lessor shall use his best efforts to complete all required remodeling work with all possible haste.

2. The parties contemplate that when the Lessee takes possession certain of the remodeling work will not be completed, as more particularly set forth below. Lessor shall interfere with Lessee's use and possession of the premises as little as reasonably possible in completing the required remodeling, although Lessor shall not be required to incur additional costs in order to accommodate the needs of Lessee (such as overtime) unless Lessee is willing to bear any such additional costs. Lessee shall give its full cooperation to accommodate Lessor and to permit Lessor to expeditiously complete the required remodeling following the date Lessee takes possession, and Lessee shall not unreasonably interfere with the Lessor's work on the premises. To the extent practicable, Lessor and Lessee shall schedule the performance of work and the installation of equipment by either of them so as to expedite both the completion of the remodeling by the Lessor and the installation of equipment by the Lessee, and shall keep each other advised as to their respective schedules.

3. Lessee shall give its full cooperation and assistance to Lessor in connection with securing necessary approvals, building permits and other permits from all applicable state and local governmental agencies having jurisdiction over the construction and remodeling work to be performed by Lessor under the Lease.

4. Paragraph 1.2 of the Lease of December 12, 1979 (on page 1) is hereby deleted in its entirety.

5. By April 1, 1980, Lessor agrees that the premises shall be completed to the extent that the premises may be reasonably utilized by Lessee at that time. By April 1, 1980, the heating and cooling systems shall have been installed and shall be substantially operative, the ceiling shall have been installed, the carpeting shall have been installed, most of the interior walls shall have been installed, and electrical power will be available to the premises. However, on April 1, 1980, the following items may not be completed or installed: substantially all of the interior doors and door frames; hardware; some of the interior walls; some of the electrical outlets; some of the telephone boxes; the wall finish including painting and vinyl work; and carpeting, wall coverings and other finish work in the lobbies. It is understood that even though the foregoing items may not be completed on April 1, 1980, the parties shall nevertheless consider the premises as being reasonably utilizable by the Lessee. The date of such tender of possession shall constitute the commencement date of this Lease, and, pursuant to Paragraph 38.1, the lease term shall continue for a period of three full years from said commencement date.

6. With respect to Lessor's agreement to complete the premises to the extent set forth in paragraph 5 above by April 1, 1980, the following provisions shall apply: Lessor shall not be deemed in default for delays in the progress of the work caused by labor disputes, fire, unusual delay in transportation, adverse weather conditions not reasonably anticipatable, unavoidable casualties or governmental regulations or controls not reasonably anticipatable; Lessor shall be deemed in default if delays in performance are caused by the willful act or neglect of Lessor or by any other cause within the reasonable control of Lessor.

7. Except as expressly set forth in this Addendum, all of the provisions, terms and conditions of the Lease of December 12, 1979, shall remain in full force and effect.

Dated this ____ day of February, 1980.

Jack L. Melchor

Jack L. Melchor
LESSOR

CITY OF PORTLAND, OREGON

By _____
Title: _____

By _____
Title: _____

LESSEE

APPROVED AS TO FORM

Christopher P. Thomas

CITY ATTORNEY

THIS LEASE, made and entered into at the City of Portland, Oregon, this 12th day of

December 19 79, by and between:

JACK L. MELCHOR, hereinafter called the Lessor,

and CITY OF PORTLAND, OREGON,

hereinafter called the Lessee, WITNESSETH:

The Lessor hereby leases to the Lessee the following described premises in consideration of

~~XXXXXXXXXXXXXXXXXXXX~~ and in accordance with the terms, covenants and conditions herein set forth:

Premises ~~XXXXXXXXXXXXXXXXXXXX~~ An area of approximately 17,353 sq.ft., consisting of approximately 9,247 sq.ft. on the second floor and approximately 8,106 sq.ft. on the third floor, in the 621 S. W. ALDER BUILDING, 621 S. W. Alder Street, Portland, Oregon

Term For the term beginning on the approximately 1st day of March 19 80, and expiring on the 28th day of February 19 83,

Rental For a monthly rental of Ten Thousand Nine Hundred Ninety - - - - - and 23 /100 Dollars (\$10,990.23), ~~XXXXXXXXXXXXXXXXXXXX~~

payable monthly in advance on the first day of each and every calendar month, at the office of the Lessor or the Lessor's agent. Receipt of the first month's rental in the amount of \$10,990.23 is acknowledged upon execution of this lease.

The Lessee covenants and agrees as follows:

- 1.1 **Payment** The Lessee will pay said monthly rental in lawful money of the United States at the office of the Lessor or Lessor's agent, in advance on the first day of each and every calendar month of said term. Rent for a part of a month shall be prorated in proportion to the number of days of the month included in the term of this lease.
- 1.2 **Delivery of Possession** Should Landlord be unable to deliver possession of the Premises on the date fixed for the commencement of the term Tenant shall owe no rent until notice from Landlord tendering possession to Tenant. If possession is not so tendered within 45 days following commencement of the term, then Tenant may elect to cancel this lease by notice to Landlord within 10 days following expiration of the 45-day period. ~~XXXXXXXXXXXXXXXXXXXX~~
- 1.3 **Unpaid Rent** If rent is not paid within 10 days after it is due Lessor may at its option impose a late charge of \$ 0 . ~~XXXXXXXXXXXXXXXXXXXX~~
- 2.1 **Use** The Lessee will use and occupy said premises for offices of Planning Bureau and related activities, and for no other purposes; and the Lessee will at Lessee's own expense repair any damage caused by the Lessee or any of Lessee's employees or agents, or licensees or invitees.
- 2.2 **Assignment and Sub-letting** The Lessee will not assign this lease or any interest hereunder, and will not permit any assignment hereof by operation of law, and will not sub-rent or sub-let said premises or any portion thereof, and will not permit the use or occupancy of said premises by other than the Lessee and his agents and employees of the Lessee, without first obtaining the written consent of the Lessor, which shall not be unreasonably withheld.
- 2.3 **Alterations** The Lessee will make no alterations in or additions to said premises without first obtaining the written consent of the Lessor, and all additions, improvements and fixtures (except the movable office furniture of the Lessee) made or added either by the Lessee or Lessor shall be and remain the property of the Lessor; provided, however, the Lessor may require that the Lessee remove upon termination of this lease any additions made or fixtures added by the Lessee at the Lessee's expense.

2.4 Uses Prohibited

The Lessee will not use or permit in said premises anything that will increase the rate of fire insurance thereon or prevent the Lessor's taking advantage of any ruling of the Insurance Services Office of Oregon or its successors, which would allow the Lessor to obtain reduced rates for long term insurance policies; or maintain anything that may be dangerous to life or limb; or in any manner deface or injure said building or any portion thereof; or overload the floors; or permit any objectionable noise or odor to escape or to be emitted from said premises; or permit anything to be done upon said premises in any way tending to create a nuisance or to disturb any other tenants of the building, or to injure the reputation of the building; or to use or permit the use of said premises for lodging or sleeping purposes, or for any immoral or illegal purposes; and that the Lessee will comply at Lessee's own cost and expense with all orders, notices, regulations or requirements of any municipality, state or other governmental authority respecting the use of said premises.

3.1 Liability for Injury and Damage

The Lessor shall not be liable to the Lessee for damage to person or property resulting from the negligence of a co-tenant or anyone else other than the Lessor, or for any damage to person or property resulting from any condition of the premises or other cause, including but not limited to damage by water, not resulting from the negligence of the Lessor.

3.2

The Lessee shall indemnify and save harmless the Lessor against and from any and all claims by or on behalf of any person, firm or corporation arising from the conduct or management of or from any work or thing whatsoever done by the Lessee or its agents, contractors, servants or employees in or about the demised premises or the building, and will further indemnify and save the Lessor harmless against and from any and all claims arising from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed, pursuant to the terms of this lease or arising from any act or negligence of the Lessee, or any of its agents, contractors, servants or employees, occurring during the term of this lease in or about the demised premises or the building, and from and against all costs, counsel fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon. In case any action or proceeding be brought against the Lessor by reason of any such claim, the Lessor may, at its option, require that the Lessee resist or defend such action or proceeding at the Lessee's own cost and expense and by counsel reasonably satisfactory to the Lessor.

4.1 Vacation or Abandonment

Upon vacation or abandonment of the premises by the Lessee without the written consent of the Lessor endorsed hereon, the Lessor may forthwith enter upon the premises or any portion thereof and re-let and otherwise exercise control over the same and that for the purpose of such re-letting the said Lessor is authorized at the cost of the Lessee to make any repairs, changes, alterations or additions in or to said demised premises which may be necessary in the opinion of the Lessor for the purpose of such re-letting, and such entry and control shall not release the Lessee from the obligations herein, but Lessee shall nevertheless remain liable and continue bound, unless the Lessor, at Lessor's election, shall cancel the lease, and in that event cancellation shall be effected and Lessor and Lessee released from all obligations thereunder thereafter to accrue, upon the mailing of such notice of cancellation by Lessor to Lessee at Lessee's last known address.

5.1 Admittance by Pass-key

The Lessor shall not be liable for the consequences of admitting by pass-key or refusing to admit to said premises the Lessee or any of the Lessee's agents or employee or other persons claiming the right of admittance.

6.1 Signs

No sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to any of the glass or woodwork of the premises hereby demised, except such as shall be approved by the Lessor and shall be painted by a sign painter designated by the Lessor; that no signs or devices shall be hung on or placed against the windows of said premises nor on the exterior wall of the building; and that no furniture, curtain or other obstruction of any kind or size shall be placed before the glass partition dividing said premises from the corridors of said building.

7.1 Electrical and Mechanical Devices

The Lessee shall not, without Lessor's written consent, operate or install any electrical equipment or operate or install any machinery or mechanical device on said premises other than that normal to office use.

8.1 Electrical Installations

No electric wiring, telegraph call boxes, or telegraphic, telephonic, or other electrical apparatus, including air conditioning equipment, shall be installed, maintained or operated on said premises except with the approval of and in a manner satisfactory to the Lessor; and in no event shall the Lessee overload the electrical circuits from which the Lessee obtains current.

9.1 Awnings

No awnings shall be attached to the outside of any windows of the premises hereby leased.

10.1 Windows

The Lessee shall not allow anything to be placed on the outside window ledges of said premises; and nothing shall be thrown out of the windows of said building by the Lessee or others.

11.1 Floor Coverings

Neither the Lessee nor any other person, shall lay linoleum or other similar floor covering or attach or fix any covering to the walls or ceiling of the premises or any part thereof with paste material save and excepting one which may be easily removed with water. The use of cement or similar adhesive material is expressly prohibited. The tacking or fastening of any such material to the base board or molding is expressly prohibited. Prior to termination of this lease, Lessee, at its own expense, may remove any such floor, wall or ceiling coverings or materials, and upon so doing will restore the floor, wall or ceiling to the condition in which it existed at the time Lessee took possession under this lease. In the event Lessee removed such coverings and fails to restore the floor, walls or ceiling to that condition, Lessee on demand shall pay Lessor the cost of such restoration. If such covering is not removed prior to the termination of this lease the covering shall become and remain the property of Lessor.

12.1 Inspection of Premises

The Lessor and the Lessor's agents, janitors, workmen and engineers may retain and use a pass-key to the premises described herein to enable them to examine said premises from time to time with reference to any emergency or to the general maintenance of said premises, or for the purposes of exhibiting the same.

13.1 Care of Premises

The Lessee shall at all times take good care of the demised premises.

14.1 Surrender of Premises

At the expiration or sooner termination of this lease, the Lessee will surrender and deliver up said premises to the Lessor, or those having the Lessor's estate therein, in the same condition as the Lessee now receives said premises, ordinary wear and tear and damage by fire and the elements alone excepted.

15.1 Action or Suit

If any suit or action or appeal thereof is instituted by either party for the enforcement of any covenant contained in this lease, the prevailing party shall recover, in addition to costs and disbursements, such attorneys' fees as the court may adjudge reasonable to be allowed in such suit or action or appeal thereof.

16.1 Default Insolvency and Damages

If the rent shall be in arrears for a period of ten (10) days/ or if the Lessee fails to keep or perform any of the covenants or conditions of this lease; or if the leasehold interest of the Lessee shall be attached or levied on under execution; or if a petition is filed by Lessee for an arrangement with his creditors under Chapter II of the Bankruptcy Act; or if the Lessee shall be declared bankrupt or insolvent according to law; or if any assignment of the Lessee's property shall be made for the benefit of creditors, or otherwise, or if the Lessee fails to make prompt payment of any amounts due the Lessor in connection with the Lessee's occupancy of the premises, then, and in any of said events, the Lessor may at the Lessor's option at once, without notice to the Lessee or any other person, terminate this lease, and upon the termination of said lease at the option of the Lessor, as aforesaid, or at the expiration of this lease, and upon the termination of said lease by its terms, the Lessee will at once surrender possession of said premises to the Lessor and remove all the Lessee's effects therefrom; and if such possession be not immediately surrendered, the Lessor may forthwith enter into and on said premises and repossess them as of the Lessor's former estate and expel the Lessee, or those claiming under the Lessee, and remove the effects of any of them, forcibly if necessary, and lock said premises, without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant; and that in such event the Lessee expressly waives the service of any notice of intention so to terminate this lease or to retake the premises, and waives service of any demand for payment of rent or for possession, and of any and every other notice or demand prescribed by any law of the State of Oregon.

16.2

In the event of termination on default, the Lessor shall be entitled to request immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, any excess of the value of the Lessee's obligations under this lease, including the obligation to pay rent, from the date of default until the end of the term over the reasonable rental value of the property for the same period figured as of the date of default, plus the reasonable costs of reentry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of the Lessee's property and fixtures or any other expense occasioned by the Lessee's failure to quit the demised premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been, secured.

17.1 Liens

The Lessee shall not suffer or permit any mechanic's lien to be filed against the fee of the demised premises nor against the Lessee's leasehold interest in said premises by reason of work, labor, services or materials supplied or claim to have been supplied to the Lessee or anyone holding the demised premises or any part thereof through or under the Lessee, and nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of the Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the demised premises or any part thereof, nor as giving the Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's lien against the fee of the demised premises. If any such mechanic's lien shall at any time be filed against the demised premises, the Lessee shall cause the same to be discharged of record within 20 days after the date of filing the same.

18.1 Light and Air

This lease does not grant any rights of access to light and air over property.

19.1 Building Alterations and Repairs

In the event the Lessor, during the term of this Lease, shall be required by the City of Portland, the order or decree of any court, or any other governmental authority, to repair, alter, remove, reconstruct, or improve any part of the demised premises or of the building of which said premises are part, then such repairing, alteration, removal, reconstruction or improvement may be made by and at the expense of the Lessor without any interference or claim for damages by the Lessee, but there shall be such an abatement or adjustment of rent as shall be just in proportion to the interference with Lessee's occupation of the premises; and that the Lessor and Lessor's agents and employees shall have the right from time to time during the term of this lease to enter into and upon said premises for the purposes of maintaining said premises and making such alterations and repairs and doing such other things thereto and to the equipment or building in which said premises are located, as may become necessary or advisable, without any interference or claim for damages by the Lessee.

20.1 Damage to Premises

In case the leased premises, or the building in which they are located, shall be destroyed or damaged by fire or other casualty, making the premises or building untenable, the Lessor may at Lessor's option, exercised within thirty (30) days from the happening of the casualty, elect to terminate this lease or to repair said damages. If the Lessor does not so elect to repair said damages, or the building containing said premises shall have been wholly destroyed, the lease may be terminated by either party as of the date of such damage. If the Lessor elects to repair said damages the Lessor shall at its own expense promptly repair the damages to said leased premises, and the Lessee shall be entitled to an abatement of the rent, or a fair and just proportion thereof, according to the nature of the damage sustained, until said premises have been made fit for occupancy and use.

20.2

If the Lessor becomes obligated to repair or reconstruct the premises or the building in which they are located, the Lessor shall be relieved of such obligation and the Lessor may terminate this lease if the Lessor is unable to obtain the necessary labor or materials, or if the Lessor is unable to perform such obligation due to any cause beyond its control, including, but not limited to, strikes, lockouts and labor disturbances, acts of civil or military authorities, restrictions by municipal authorities, restrictions by municipal ordinances or federal or state statutes, and military activity.

21.1 Eminent Domain

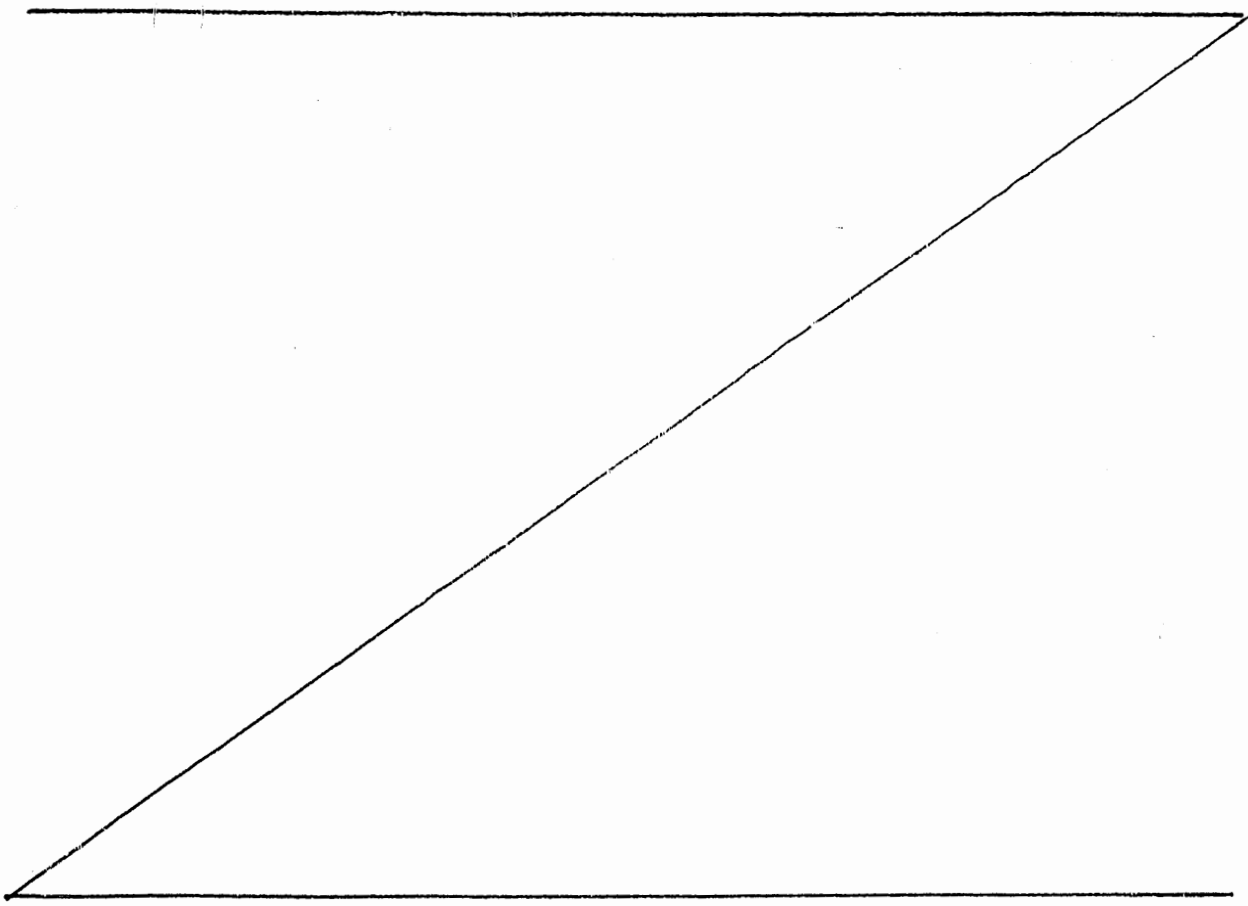
If the premises or the building in which the same are located, or any part thereof, shall be taken or acquired by any municipal or other corporation having the right of eminent domain, either under said right or by purchase without the exercise of said right, the Lessor may at its option terminate this lease without paying any consideration to the Lessee, except that any unearned rental in its possession shall be refunded.

- 23.1 Holding Over If the Lessee shall hold over after the expiration of the term of this lease, and shall not have agreed in writing with the Lessor upon the terms and provisions of a new lease prior to such expiration, the Lessee shall remain bound by all the terms, covenants and agreements hereof, except that the tenancy shall be one from month to month.
- 23.1 Electric Service The Lessor shall furnish electric current and lamps for light in such quantity and of such wattage as in the Lessor's opinion shall be necessary; and if the tenant demands additional electric service, it is understood that the same shall be paid for at the public utility's regular scheduled rate.
- 24.1 Elevator Service, Heat, Janitor Service Elevator service and heat and janitor service will be furnished in accordance with the regular schedule of the building; but that failure to furnish elevator service, light or heat or janitor service, when such failure is caused by accidents, strikes or other causes beyond the reasonable control of the Lessor, shall not make for an abatement of rent, nor release the Lessee from the prompt fulfillment of any of the covenants of the Lessee under this lease or render the Lessor liable for damages therefor.
- 24.2 Lessor may change such schedule of janitorial service, or the nature and extent of such service, whenever Lessor shall deem such change necessary, desirable or expedient. Lessee shall be solely responsible for the professional cleaning and upkeep of any and all carpeting and drapery installed in the premises.
- 25.1 Air Conditioning If the monthly rental rate herein stipulated includes air conditioning to be provided by the Lessor it is understood and agreed that such air conditioning will be furnished in accordance with the regular schedule of the building, but that failure to furnish air conditioning, when such failure is caused by accidents, strikes or other causes beyond the reasonable control of the Lessor, shall not make for an abatement of rent, nor release the Lessee from the prompt fulfillment of any of the covenants of the Lessee under this lease or render the Lessor liable for damages therefor.
- 25.2 Hours of Operation Hours of operation for heating, ventilating and air conditioning equipment shall be from 7 A.M. to 6 P.M. Monday through Friday, except Holidays; and from 7 A.M. to 12 P.M. Saturday, except Holidays, and for evening meetings with at least 24 hours' advance written notice to Lessor's agent.
- 26.1 Furniture and Bulky Articles Sales, furniture or bulky articles shall be moved in or out of said premises only at such hours and in such manner as shall least inconvenience other tenants, and as the Lessor shall decide; and no safe or other article of over 1,000 pounds shall be moved into said premises without the consent of the Lessor, the Lessor to have the right to fix the position of any article of weight in said premises.
- 27.1 Regulations The Lessor, for the proper maintenance of said building, the rendering of good service, and the providing of safety, order and cleanliness may make and enforce regulations appropriate for such purposes but not in enlargement of or inconsistent with the terms, covenants and conditions of this lease.
- 28.1 Waiver of Breach of Covenant Any waivers shall be in writing. The covenants of this lease are continuing covenants and the waiver by the Lessor of breaches of said covenants shall not be deemed a waiver of subsequent breaches thereof.
- 29.1 Modification This lease may not be modified except by endorsement in writing attached to this lease, dated and signed by all the parties hereto, and Lessor shall not be bound by any oral or written statement of any servant, agent, or employee modifying this lease.
- 30.1 Parties Affected The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this lease permit, assigns of the parties hereto, and the words "Lessor" and "Lessee" and their accompanying verbs or pronouns, wherever used in this lease, shall apply equally to all persons, firms or corporations which may be or become parties hereto.
- 31.1 Waiver of Subrogation Lessor shall be responsible for insuring the Premises and Tenant for insuring its personal property and trade fixtures located on the Premises. Neither party shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks covered by a standard fire insurance policy with an extended coverage endorsement, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.
- 32.1 Subordination This lease shall be subject and subordinate to such liens and encumbrances as are now on or as lessor may hereafter impose on the land and building, and the lessee shall upon request of lessor, execute and deliver agreements of subordination consistent herewith.
- 33.1 Rental Adjustment Whenever, for any calendar year, Lessor's operating and maintenance costs are greater than the operating and maintenance costs for the calendar year 1980, then the monthly rental for the next succeeding calendar year may be increased, effective as of January 1, 1982, over the rental specified by an amount representing one-twelfth of such proportion of such increase in costs as is measured by the ratio between the floor area of the leased premises and the total rentable floor area of said building. For the purposes hereof, the term "operating and maintenance costs" shall include all costs of operation and maintenance as determined by standard accounting practices and shall include the following costs by way of illustration, but not limitation: Real estate taxes and assessments, insurance premiums, licenses, permit and inspection fees; the cost of wages, materials and services for the operation and maintenance of the building, but shall not include alterations and depreciation.

- 34.1 Lessor agrees to furnish and install the following improvements to the premises at his sole cost and expense:
- a. A new heating, ventilating and air conditioning system in the demised premises. The system shall contain separate zones on each floor.
 - b. A new suspended acoustical ceiling with flush fluorescent light fixtures, capable of providing approximately 80 foot candles at desk height.
 - c. Not more than 900 lineal feet of full height U.S.G. Ultrawall vinyl-clad partitions, as shown on the attached plans.
 - d. Partitions with glass relites and double entry doors separating the elevator lobby from the demised premises on the second and third floors.
 - e. Not more than 100 electrical duplex outlets and 100 telephone outlets. It is understood that a portion of these outlets will be provided in the walls and the balance will be provided in tele-power poles supplied via an overhead grid system.
 - f. Carpet the premises throughout, except where vinyl asbestos tile is more appropriate. Lessor shall furnish lessee samples for Lessee's selection.
 - g. Building standard draperies shall be furnished on all exterior windows.
- 35.1 Lessor agrees that an adjustment in the rental payable by Lessee will be made to reflect the savings resulting from the exemption of the property leased herein from property taxes under the provisions of ORS 307.112, which, for tax purposes, became effective January 1, 1978. The tax saving resulting from the said exemption shall be in the form of a refund to Lessee on or before November 15 of each year in which the leased premises are exempt, or payable quarterly of each year in which the leased premises are exempt.
- 36.1 Lessor agrees to provide Lessee with space planning services. Lessor shall provide Lessee with scale drawings indicating the location of personnel, desks, tables, outlets, etc. Lessor shall develop working drawings from this information. Lessor shall furnish working drawings for Lessee's approval as soon possible, and Lessee shall indicate its approval within five working days thereafter.
- 37.1 Upon receipt of Lessee's written approval of the working drawings provided by Lessor, Lessor shall use his best efforts to complete the required remodeling within sixty (60) days.
- 38.1 Lessor agrees to use all reasonable speed and due diligence to perform the remodeling of the building in general and the demised premises in particular to insure that the premises are finished in a timely manner. Lessee agrees to furnish Lessor with required information as necessary in order to facilitate this remodeling. Lessor shall not be held responsible for delays resulting from causes beyond the reasonable control of Lessor, his agents, contractors, or the failure of Lessee to provide required information, which

result in the delay of the commencement date of this lease. Subject to the provisions of Paragraph 1.2, if the commencement date of the lease is delayed as described above, the expiration date of this lease shall automatically be extended by the same number of days by which the commencement date is delayed. The intent of the foregoing is to provide for a three-year lease term.

- 39.1 Lessee shall have the option to renew this lease for two (2) successive terms of one (1) year each, if the lease is not then in default, commencing March 1, 1983, and March 1, 1984, respectively, by giving Lessor written notice not less than ninety (90) days prior to the commencement date of each renewal term. The terms and conditions of the lease for each renewal term shall be identical with the original term except for the monthly rental. The monthly rental for each renewal term shall be adjusted utilizing the Consumer Price Index for All Urban Consumers for the United States published by the Bureau of Labor Statistics of the United States Department of Labor (All Items and All Cities), hereinafter referred to as CPI. The monthly rental for each renewal term shall be determined by multiplying the initial monthly rental of \$10,990.23 by a fraction, the denominator of which shall be the CPI for the month in which the original term of this lease commences, and the numerator of which shall be the CPI for the month of March, 1983, with respect to the first renewal term and the month of March, 1984, with respect to the second renewal term. Provided, however, in no event shall the monthly rental for either renewal term be less than \$10,990.23. It is understood that it is the "base" monthly rental to be determined pursuant to this paragraph, and that the provision for Rental Adjustment (33.1) shall remain in full force and effect for each renewal term. If at the time required for the adjustment of the monthly rental, the CPI is no longer published or issued or is published in such a way as to make its use impracticable, the parties shall use such other consumer price index as is then generally recognized or acceptable for similar determinations of purchasing power, by mutual agreement.
- 40.1 Lessor agrees that he will provide ingress and egress and toilet facilities for use by handicapped persons in accordance with existing governmental regulations.
- 41.1 In reference to Paragraph 33.1 above, the total rental floor area of the building is approximately 63,173 sq.ft., and the floor area of the leased premises is approximately 17,353 sq.ft. Therefore, the ratio is 17,353/63,173, or 27.4 per cent of the total rentable area.
- 42.1 As an additional provision of 21.1, all compensation awarded or paid upon a total or partial taking of the fee title to the premises or the building shall belong to Lessor, including compensation awarded or paid for diminution in value of the fee. However, Lessor shall not be entitled to any compensation awarded or paid to Lessee for loss of its business and/or improvements in or on the premises, moving expenses and related losses or expenses not relating to the fee title; and Lessee may assert any such claims directly against the condemning authority. Lessor agrees to timely fully advise Lessee of all condemnation proceedings, negotiations, or prospective condemnation proceedings in order that preparation may be made by Lessee to prosecute its claims against the condemning authority to the extent provided herein.



IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate at the place and on the day and year first herein written, any corporate signature being by authority of the Board of Directors.

Jack L. Melchor

Jack L. Melchor

Lessor

CITY OF PORTLAND, OREGON
By *Connie McCreedy*

CONNIE MC CREEDY, MAYOR
By *Frank Ivancie*

FRANK IVANCIE, COMMISSIONER PUBLIC UTILITIES

Lessee



PORTLAND, OREGON
(503) 223-3123
EUGENE, OREGON
(503) 343-3317

APPROVED AS TO FORM
Christopher P. Thomas

CITY ATTORNEY

ORDINANCE NO. 149221

An Ordinance authorizing the execution of an addendum to a lease agreement with Jack L. Melchor dated December 12, 1979, for lease of office space for the Bureau of Planning in the 621 S.W. Alder Building, 621 S.W. Alder, revising the possession date to accommodate the City's needs, and declaring an emergency.

The City of Portland ordains:

Section 1. The City finds:

1. That Ordinance #148906 authorized a lease agreement for 17,353 square feet of office space at an annual rental rate of \$7.60 per square foot for a 3 year period beginning March 1, 1980 for the relocation of the Bureau of Planning from City Hall Annex I.
2. That a move-in date of April 1, 1980 is now required in order to deliver the City Hall Annex I site to the Portland Development Commission for demolition of the building.
3. That Jack L. Melchor, 621 S.W. Alder Building owner, is willing to tender possession of the leased premises to the City on April 1, 1980.
4. That the lease addendum provides that the premises will be substantially operative on April 1, 1980. Certain tenant improvements will be completed after the Planning Bureau moves into the office space.
5. That Exhibit 'A' is an appropriate form of agreement for this purpose.
6. That the City Attorney has reviewed and approved the lease addendum.

NOW, THEREFORE, the Council directs:

- a. The Mayor and Commissioner of Public Utilities are authorized to execute an addendum to the lease with Jack L. Melchor for lease of office space for the Bureau of Planning, such agreement to be substantially as shown in Exhibit 'A' attached to the original only hereof and by this reference made a part.

ORDINANCE No.

Section 2. The Council declares that an emergency exists because a delay could jeopardize the lease agreement thereby delaying the Public Service Building project, therefore, this ordinance shall be in force and effect from and after its passage by the Council.

ORDINANCE NO. 149221

5111

Passed by the Council, FEB 21 1980
Commissioner F.J. Ivancie
J.M. Cassidy:gs
February 21, 1980

George M. Prady
Mayor of the City of Portland

Attest:

George J. Gelman
Auditor of the City of Portland

Calendar No. 709

ORDINANCE No. 149221

Title

An Ordinance authorizing the execution of an addendum to a lease agreement with Jack L. Melchor dated December 12, 1979, for lease of office space for the Bureau of Planning in the 621 S.W. Alder Building, 621 S.W. Alder, revising the possession date to accommodate the City's needs, and declaring an emergency.

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
Ivancie		
Jordan		
Lindberg		
Schwab		
McCready		

FOUR-FIFTHS CALENDAR	
Ivancie	
Jordan	
Lindberg	
Schwab	
McCready	

INTRODUCED BY
Commissioner Ivancie

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration
Safety
Utilities <i>FJI</i>
Works

BUREAU APPROVAL
Bureau: Facilities Management
Prepared By: J.M. Cassidy Date: 2/21/80
Budget Impact Review: <input type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head:

NOTED BY
City Attorney
City Auditor
City Engineer <i>[Signature]</i>

Filed FEB 23 1980

GEORGE YERKOVICH
Auditor of the CITY OF PORTLAND

By *George Yerovich*
Deputy