

EXHIBIT B



Permit Number: 10709

CONSTRUCTION PERMIT AND RIGHT OF ENTRY

THE CITY OF PORTLAND ("Permittee")

Office of Transportation
1120 S.W. Fifth Avenue, Suite. 800
Portland, OR 97204-7234
Attention: Teresa Talbot

THE PORT OF PORTLAND ("Port")

Property & Development Services
121 N.W. Everett Street, 7th Floor
Portland, OR 97208
Attention: Suzanne Brooks

RECITALS

- A. The Port owns certain property located in the City of Portland, Multnomah County, Oregon ("Premises").
- B. Permittee is rehabilitating an existing bridge adjacent to the Premises and constructing a road over a portion of property owned by the Port, in order to connect N.E. 92nd Drive to N.E. Alderwood Road ("Project").
- C. The Port is conveying right-of-way ("ROW") in connection with the Project.
- D. Permittee desires to use the Premises in support of its construction activities associated with the Project.
- E. The Port agrees to provide access to Permittee subject to the terms and conditions set forth below.

PERMIT

NOW, THEREFORE, in consideration of the promises and covenants contained in this Construction Permit and Right of Entry ("Permit") and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows.

1. RECITALS

The Recitals above are true and are incorporated into and are a part of this Permit.

2. RIGHT TO USE PREMISES

The Port hereby grants to Permittee the right to enter upon and use the Premises as shown on **Exhibit A** for the purpose of support of construction of the Project, including but not limited to, grading and landscaping ("Permitted Use"). Permittee shall use the Premises solely for the Permitted Uses set forth in this Permit.

3. TERM

This Permit shall commence on July 10, 2009 ("Effective Date") and end on July 9, 2010, unless otherwise terminated pursuant to the terms of this Permit. If construction activities on the Project exceed the term of the Permit, or by written mutual consent of the parties, the Permit will automatically extend through the construction of the Project but in no event later than July 9, 2011.

4. MAINTENANCE

Permittee shall maintain the Premises free of any and all liens and encumbrances arising out of any work performed by or at the request of Permittee on the Premises. Permittee shall perform all maintenance so that the Port's use of the Premises or surrounding property is not unreasonably affected. Permittee shall maintain the Premises at its own cost in order to keep the area free from hazardous conditions, and will correct any hazardous conditions within five (5) calendar days after notification or sooner if the Port reasonably deems it warranted.

5. CONSIDERATION

In consideration for this Permit, Permittee shall pay the Port the sum of THIRTEEN THOUSAND DOLLARS AND NO CENTS (\$13,000.00).

6. SPECIAL CONDITIONS

If any of the Permitted Uses under the terms of this Permit occur reasonably outside of the Premises, the Port hereby grants Permittee, its employees or contractors, permission to enter upon the Port's adjoining property for the purpose of performing any of such reasonable construction work. The entrance on to the adjoining property shall be to an extent only as reasonably needed. Any actual construction outside of the Premises must be approved by the Port. Fencing located outside of the Premises that interferes with the Permitted Use will be removed before construction and replaced in as good or better condition as part of the Project. The fire suppression and back flow devices located in the ROW will be relocated as part of the Project by the Port's ground lessee. As the ground lessee is completing the removal and replacement work, Permittee shall pay by way of submittal of invoices to the party designated by the ground lessee.

7. CONDITION OF PREMISES

The Port makes no warranty, guarantee or representation concerning the physical condition of the Premises or the suitability of the Premises for any of Permittee's intended uses, and it is agreed the Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

8. CONSTRUCTION

The Port acknowledges that preliminary plans and specifications for the Project dated February 6, 2009 have been submitted to the Port. Permittee shall construct the project in accordance with the plans and specifications submitted and shall coordinate construction activities with the Port to minimize any inconvenience or disruption to the Port or to the use of Port property by the Port or its tenants or contractors. Permittee shall submit to the Port for review and comment revised plans and specifications that reflect any material change in construction activities. Permittee shall submit "as built" drawings to the Port no later than six (6) months after final completion of construction.

9. UTILITIES

Permittee shall promptly pay any charges for sanitary sewer, storm sewer, water, gas, electricity, telephone and all other charges for utilities which may be furnished to the Premises for Permittee's use, including any installation and connection fees and costs relocating utilities currently located within the ROW and of bringing utilities from their current location to the Premises at Permittee's request.

10. INDEMNITY

To the extent allowed under Oregon law and subject to the limitation and conditions of the Oregon Tort Claims Act, ORS 30.260 through ORS 30.300 and the Oregon Constitution, Article XI, Section 7, Permittee agrees to indemnify, hold harmless and defend the Port, its officers, agents and employees from and against and to reimburse the Port for all claims, actions, damages, injuries, costs, loss, or expenses incidental to the investigation and defense thereof, arising out of the acts or omissions of, or use or occupancy of the Premises, by, Permittee, its agents or employees. To the extent allowed under Oregon law and subject to the limitation and conditions of the Oregon Tort Claims Act, ORS 30.260 through ORS 30.300 and the Oregon Constitution, Article XI, Section 7, the Port agrees to indemnify, hold harmless and defend Permittee, its officers, agents and employees from and against and to reimburse Permittee for all claims, actions, damages, injuries, costs, loss, or expenses incidental to the investigation and defense thereof, arising out of the acts or omissions of, or use or occupancy of the Premises, by, the Port, its agents or employees.

11. INSURANCE

The Port recognizes that Permittee is self-insured. Permittee shall require each contractor entering onto the Premises for construction purposes to name the Port as an additional insured on any policy of liability insurance related to the construction.

12. COMPLIANCE WITH LAW

Permittee shall conduct its activities under this Permit in compliance with all applicable state, federal and local laws, regulations, agency guidance documents, Port rules and regulations, and terms of any permits applicable to the Premises and the Port's property.

13. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

13.1 Definitions

For the purposes of this Permit, the following definitions shall apply.

13.1.1 Environmental Law

"Environmental Law" shall mean any and all federal, State of Oregon and local laws, regulations, rules, permit terms, including but not limited to any storm water pollution control requirements, codes and ordinances now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law, which in any way govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or relate to the protection of health, natural resources, safety or the environment.

13.1.2 Hazardous Substance

"Hazardous Substance" shall mean any and all substances, pollutants, materials, or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any Environmental Law, and shall also mean fuels, petroleum and petroleum-derived products.

13.1.3 Hazardous Substance Release

"Hazardous Substance Release" shall mean the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or

on any land or waters, except as authorized by a then-current and valid permit issued under applicable Environmental Law.

13.2 Use of Hazardous Substances

Permittee may use, handle or store on the Premises, for their intended purposes in accordance with manufacturers' instructions, only those Hazardous Substances reasonably and necessarily used in the course of Permittee's permitted activities under this Permit.

13.3 Treated Soil or Waste or Soil Containing Industry Byproducts

Permittee shall not store, treat, deposit, place or dispose of on the Premises, without the prior written consent of the Port, which consent may be granted or denied in the Port's sole discretion: (a) soil or waste treated to remove or reduce its Hazardous Substance content, including soil or waste treated on the Premises; (b) contaminated soil or waste; or (c) soil containing industry byproducts, including, without limitation, slag.

13.4 Discovery of Hazardous Substances

If Permittee discovers any Hazardous Substance Release on the Premises, Permittee shall immediately notify the Port, and shall stop all activities authorized hereunder and take all appropriate actions to prevent the Hazardous Substance Release from migrating or being spread on or off the Premises, and to avoid contributing to or exacerbating such Hazardous Substance Release.

13.5 Environmental Remediation

13.5.1 Response

In the event of a violation of Environmental Law, a violation of an environmental provision of this Permit, a Hazardous Substance Release, or the threat of or reasonable suspicion of the same for which Permittee is responsible under this Permit, Permittee shall immediately undertake and diligently pursue all acts necessary or appropriate to: (a) cure or correct the violation; (b) investigate, contain, stop and remediate and remove the Hazardous Substance Release; and (c) restore the Premises and other affected property or water.

13.5.2 Port's Right to Review and Comment; Notice to the Port

Prior to the commencement of any investigatory, containment, remediation or removal procedures required by this Permit or by Environmental Law on the Premises or on any affected property or water, the Port shall have, except in the case of an emergency or an agency order requiring immediate action, the right to: (a) review and comment on such procedures; and (b) require revisions to any procedures not in compliance with Environmental Law. Permittee shall promptly notify the Port upon becoming aware of: (i) a violation or alleged violation of any Environmental Law related to the Premises or to Permittee's occupation or use of the Premises or any environmental provision of this Permit; and (ii) any Hazardous Substance Release on, under or adjacent to the Premises or threat of or reasonable suspicion of any of the same. If notice must be given on the weekend or after 5:00 p.m. on any day, Permittee shall notify the Port by calling the Port's emergency telephone number. That number currently is: (503) 460-4000.

13.5.3 Report to the Port

Within thirty (30) calendar days following completion of any investigatory, containment, remediation and/or removal action required by this Permit, Permittee shall provide the Port with a written report outlining, in detail, what has been done and the results thereof.

14. INSPECTION

The Port reserves the right, at any time and from time to time, after notice to Permittee, to inspect the Premises and Permittee's operations on, use of and construction activities on the Premises: (a) for compliance with applicable law and with the provisions of this Permit; (b) for the presence of and/or Permittee's management of Hazardous Substances; and (c) to facilitate the Port's environmental management, permitting, sampling and analysis related to the Premises or any other property of the Port.

15. DUTIES UPON TERMINATION

Upon termination of this Permit, Permittee shall restore the Premises to a condition that is as good as or better than the condition existing prior to the original construction, except as to permanent changes made necessary by and authorized under this Permit; and shall remove from the Premises all of Permittee's property including fencing, equipment, materials, and debris. Permittee's obligations under this Permit shall survive termination.

16. AGREEMENTS WITH UNITED STATES; AIRPORT SECURITY

This Permit shall be subject to the provisions of any existing or future agreement between the Port and the United States relative to the operation or maintenance of Portland International Airport ("Airport"), the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Permittee recognizes its obligations to comply with Federal Airport Security Regulations. Permittee will reimburse the Port in full for any fines or penalties levied against the Port for security violations as a result of any actions on the part of Permittee, its employees, agents or contractors.

17. NOTICES

All notices required under this Permit shall be sent certified mail, return receipt requested, to the addresses set forth below unless changed by the parties by notice in writing:

to Permittee at:

The City of Portland
Office of Transportation
1120 S.W. Fifth Avenue, Suite 800
Portland, OR 97204-7234
Attention: Teresa Talbot

to the Port at:

The Port of Portland
Property & Development Services
121 N.W. Everett Street, 7th Floor
Portland, OR 97209
Attention: Suzanne Brooks

18. ASSIGNMENT OF INTEREST IN RIGHTS

Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Permittee's rights granted by this Permit. Any attempted assignment or transfer shall be void.

19. MEDIATION

If any dispute should arise between Permittee and the Port concerning this Permit or the parties' obligations or activities under this Permit, the dispute shall be submitted to mediation before a mediator agreed to and compensated equally by both parties, prior to commencement of arbitration or litigation. If Permittee and the Port fail to agree on a mediator, a mediator shall be appointed by the presiding judge of the Multnomah County Circuit Court.

20. NO BENEFIT TO THIRD PARTIES

The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of this Permit.

21. ENTIRE AGREEMENT

This Permit represents the entire agreement between the parties with respect to the subject matter of this Permit, and supersedes all prior agreements, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

22. WARRANTY OF AUTHORITY

The individuals executing this Permit warrant that they have full authority to execute this Permit on behalf of the Port and Permittee respectively.

IN WITNESS HEREOF, the parties have subscribed their names hereto effective as of the year and date first written below.

THE CITY OF PORTLAND

THE PORT OF PORTLAND

By: _____

By: [Signature]

Print Name: _____

Print Name: BILL WYATT

As Its: _____

As Its: EXECUTIVE DIRECTOR

Date: _____

Date: 7 April 2009

APPROVED FOR LEGAL SUFFICIENCY
FOR THE CITY:

APPROVED FOR LEGAL SUFFICIENCY
FOR THE PORT:

By: _____
Counsel for City of Portland

By: [Signature]
Counsel for Port of Portland