

2013-120

GROUND LEASE

BETWEEN

THE PORT OF PORTLAND

AND

PDX LOGISTICS CENTER I LLC

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EXHIBITS

Exhibit A	Parcel 1
Exhibit B	Parcel 2
Exhibit C	Option Fee Calculation
Exhibit D	Covenant Conditions and Restrictions
Exhibit E	Basic Rent Calculation
Exhibit F	Notice to Tenants
Exhibit G	Wetland fill areas
Exhibit H	Approved Sublease Form
Exhibit I	Estoppel Certificate
Exhibit J	Memorandum of Lease

GROUND LEASE

This GROUND LEASE ("Lease"), effective August 1, 2013 ("Effective Date") is between **THE PORT OF PORTLAND**, a port district of the State of Oregon ("Port"), and **PDX LOGISTICS CENTER I LLC** a limited liability company organized under the laws of the State of Delaware ("Lessee").

RECITALS

A. The Port is the owner of certain real property located adjacent to the Portland International Airport ("Airport") in the Portland International Center ("PIC").

B. Lessee desires to develop certain Port property in PIC as a multi-building, multi-tenant, distribution, logistics and light industrial park complex.

C. Lessee desires to obtain an option to lease an adjacent property to develop in addition to the property it is leasing under this Lease.

NOW, THEREFORE, the Port and Lessee intending to be legally bound by the terms and conditions of this Lease, and in consideration of the mutual covenants and the benefits accruing respectively to the Port and Lessee, agree as follows.

1. AGREEMENT TO LEASE

1.1 Agreement to Lease and Description of Property

The Port hereby leases to Lessee approximately twenty six point four (26.4) gross acres of unimproved land and twenty four point forty two (24.42) net acres not impacted by the City of Portland's environmental zone requirements, known as Parcel 1 ("Parcel 1"), as described on **Exhibit A** attached hereto, together with all improvements currently located thereon or to be built or placed thereon by Lessee and/or the Port including, but not limited to, all buildings, parking lots, and infrastructure improvements (collectively, "Improvements"). Excluded from the definition of Improvements are Lessee's personal property, and any storage tanks, of any nature, brought onto the property by Lessee. Parcel 1, together with all Improvements located thereon, is referred to as the "Property." Additionally, the Port hereby grants to Lessee an option ("Option") to lease an additional parcel on land consisting of approximately seventeen point seventeen (17.17) acres of unimproved land known as Parcel 2 ("Parcel 2"), as described on **Exhibit B** attached hereto.

1.1.1 Exercising Option

Lessee may exercise the Option to lease Parcel 2 at any time within three (3) years following the Contingency Waiver Date (as defined in Section 4.5). To exercise the Option, Lessee shall provide written notice to the Port of its intent to lease Parcel 2. At the time the Option is exercised, the Port and Lessee (or a newly formed entity with the same ownership structure as Lessee) shall enter into a new lease for Parcel 2 on terms that are substantially consistent with the terms of this Lease.

1.1.2 Option Fee

If Lessee has not exercised the Option prior to the one (1) year anniversary of the Contingency Waiver Date (as defined in Section 4.5), then on or before the one (1) year anniversary of the Contingency Waiver Date, Lessee shall pay to the Port a nonrefundable Option fee ("Option Fee") in the amount of **FOUR HUNDRED SEVENTEEN THOUSAND SEVEN HUNDRED**

EIGHTY-ONE DOLLARS AND NO CENTS (\$417,781.00), calculated as shown on **Exhibit C** attached hereto, if Lessee desires to keep the Option in effect beyond the one (1) year anniversary of the Contingency Waiver Date. In the event Lessee enters into a lease for Parcel 2 within three (3) years following the Contingency Waiver Date, the Option Fee will be credited towards the ground rent for Parcel 2. In the event the Option Fee is paid but the Option is not exercised by Lessee within three (3) years following the Contingency Waiver Date, the Port shall retain the Option Fee as consideration for the Option.

1.1.3 Parcel 2 Rent

In the event that Lessee exercises the Option within twenty four (24) months of the Contingency Waiver Date (as defined in Section 4.5), the lease rate for Parcel 2 shall be SIX DOLLARS AND FIFTY CENTS (\$6.50) per square foot of space on Parcel 2. In the event that Lessee exercises the Option after April 30, 2015 but not later than April 30, 2016, the Lease rate for Parcel 2 shall be SIX DOLLARS AND SEVENTY CENTS (\$6.70) per square foot of space on Parcel 2. Parcel 2 is approximately seventeen point seventeen (17.17) acres. The exact amount of Parcel 2 rent shall be that dimension determined by a survey prepared by the Port.

1.1.4 Permitted Uses

Lessee may use the Property only for conducting Permitted Uses (as defined below) and any individual portion of the Property may be used only for the purposes for which it was designed. Except as provided in this Section or elsewhere in this Lease, the Property may be used for no other use without the Port's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. "Permitted Uses" includes the following: (a) the Property use shall be limited to the construction and operation of one (1) or two (2) buildings and a multi-tenant modern tilt up concrete, distribution, logistics and light industrial park building that will be subleased to warehousing, distribution, light industrial and service tenants (for warehousing, distribution, light industrial, light manufacturing and ancillary office and retail uses). It is currently contemplated that such building(s) will collectively contain approximately four hundred ninety one thousand two hundred twenty (491,200) square feet of space; (b) maintenance of such buildings and related facilities necessary for, or related to, the Permitted Uses; and (c) ground activities necessary to support the Permitted Uses.

1.1.5 General Limits on Use

1.1.5.1 The Property may be used for no use, other than Permitted Uses, without the Port's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. In conjunction with Lessee's use of the Property, Lessee shall not: (a) unreasonably cause substantial noise, vibration, fumes, debris, electronic interference, or other nuisance to emanate from the Property to property that is adjacent to the Property; or (b) create any condition that is a safety hazard to the Airport; or (c) unreasonably interfere in any way with the operation of the Airport.

1.1.5.2 Without limiting the generality of any other provision of this Lease, Lessee shall not, without the Port's consent: (a) provide any facilities, services, commodities or supplies, now or hereafter made available at or through the Airport, other than Permitted Uses; (b) operate any automobile or vehicle rental business; (c) operate any airline flight kitchen or other facilities providing meal services to aircraft crews or passengers or the public (non aircraft); (d) offer lodging facilities, or facilities for storage or distribution of merchandise for sale or

consumption aboard aircraft; (e) use any portion of the Property for parking for passengers or customers of the Airport (parking related to Lessee's or Lessee's subtenants' operations is permitted on the Property), or charge any fee to any person traveling by plane to or from the Airport for parking of any vehicle at the Property; or (f) use any portion of the Property for the installation or operation of any antennae, satellite dish or other system for third party transmission, reception or relay of voice or data communications that is not directly related to the operations of Lessee or Lessee's subtenants. Lessee must comply with Airport Rules (as defined in Section 1.4.1) and Federal Aviation Administration ("FAA") regulations pertaining to the use of any such electronic communication equipment. Lessee agrees that it will not rent space or otherwise permit any third parties to site a cellular tower or similar device on the Property, without the consent of the Port.

1.2 Reservations, Encumbrances and Easements

The Property is subject to all encumbrances identified in the preliminary title report for the Property, prepared by Chicago Title Company of Oregon, dated January 28, 2011 order number 472511487872TO CTOR, and updated on December 28, 2012 and on May 20, 2013, available upon request ("Preliminary Title Report"). In addition, the Port reserves for itself and its assigns the following easement in such locations as are reasonably acceptable to Lessee so as to not prevent, hinder, limit or adversely affect Lessee from its use and enjoyment of the Property for its intended purpose: (a) easements for the installation of water well heads and access thereto; (b) easements in favor of the Multnomah County Drainage District to maintain its water features and or the installation of water wells; (c) easement for the installation of a bicycle/pedestrian trail to the extent required by the city of Portland; and (d) any easements or rights reasonably necessary for development on the Property or adjacent property.

1.3 Appurtenant Rights

Lessee shall have the nonexclusive appurtenant rights specified in this Section, subject to the terms and conditions of this Lease, and to the Airport Rules (as defined in Section 1.4.1). No other appurtenant rights shall be implied as a part of this Lease. Nothing stated herein shall be construed to limit in any way the general power and right of the Port to exercise its governmental powers in any way, including such as may affect the Airport, the Property, or any other area under the jurisdiction of the Port.

1.3.1 Airport Public Facilities

Lessee, its employees, agents, contractors, passengers, guests, patrons, licensees and invitees, and suppliers of materials and furnishers of services, shall have the nonexclusive right to use, in common with others, all public Airport facilities, Improvements, roadways and areas at the Airport as may be necessary for access to and from the Property and for performance of Lessee's business conducted at the Airport, which are now or hereafter provided by the Port for such use ("Airport Public Facilities"). No aircraft, motor vehicle or machinery shall be left in an inoperable condition or stored in the Airport Public Facilities by Lessee or its agents, contractors, customers or suppliers, without the prior written consent of the Port. Any such aircraft, motor vehicle or machinery may be removed by the Port at Lessee's expense upon five (5) calendar days' notice to Lessee. No fees or charges may be made to Lessee for use of the Airport Public Facilities, except such fees or charges as are imposed by the Port uniformly on all similarly situated users of such Airport Public Facilities.

1.4 Compliance with Laws

Lessee and Lessee's officers, employees, invitees, agents and contractors shall comply with: (a) all applicable federal, state, and local laws, rules, regulations and ordinances, including laws governing its relationship with its employees including, but not limited to, laws, rules, regulations and policies concerning workers' compensation, and minimum and prevailing wage requirements to the extent applicable under state law; (b) laws, rules and regulations and policies relative to occupational safety and health; (c) all Environmental Law (as defined in Section 7.1.2); and (d) current and future ordinances and rules adopted by the Port.

1.4.1 Airport Rules and Development Standards

Without limiting the generality of Section 1.1.5, Lessee and Lessee's officers, employees, invitees, agents and contractors shall comply with the *Portland International Center Development Standards* ("Development Standards"); and *Portland International Airport Rules*, as any of the same may change from time to time, with respect to the use of, entry on, access to, or possession of the Port's property at the Airport or contiguous property owned by the Port ("Airport Rules"). A copy of the current Development Standards may be found at the following website: http://www.portofportland.com/PDFPOP/Prp_Pic_DevStandards.pdf. A copy of the current Airport Rules may be found at the following website: http://www.portofportland.com/PDFPOP/PDX_Rules_Regulations.pdf.

1.4.2 Common Areas

Lessee shall have the nonexclusive right to use, in common with others, roadways and all other access routes, common utility facilities and other Improvements constructed by the Port or others for common benefit or use of users or tenants of the property within PIC subject to the Airport Rules now or hereafter applicable to PIC, for ingress and egress to the Property and for such other common use purposes for which such facilities are designed.

1.4.3 Common Area Assessment

The common area is shown and is more particularly described in the *Covenants, Conditions and Restrictions* as shown in **Exhibit D**. A common area fee ("Common Area Assessment"), calculated in the manner provided in the Covenants, Conditions & Restrictions, shall be paid by Lessee to the Tenants' Association established pursuant to the Covenants, Conditions and Restrictions at the time and in the manner set forth in the Covenants, Conditions and Restrictions. The Common Area Assessment shall constitute Additional Rent (as defined in Section 3.1) under this Lease.

1.4.4 Port Authority Over Common Areas

In addition to any other rights granted by law or by this Lease, the Port reserves all rights that are set forth in the Covenants, Conditions and Restrictions with respect to the common areas. The Port agrees to exercise all such reserved rights in such a manner as to minimize any interference with Lessee's or any Sublessee's (as defined in Section 9.1) development, construction, or use and operations on the Property.

1.4.5 Fuel Storage Tanks

Except with the prior written consent of the Port, which consent shall not be unreasonably withheld, conditioned or delayed, no underground storage tanks, mobile storage tanks (including fueling trucks), or aboveground storage tanks for the storage of Hazardous Substances (as

defined in Section 7.1.3) shall be installed or operated on the Property. As a condition of its consent, the Port will require Lessee or if requested by a subtenant of lessee, such subtenant of Lessee to sign the Port's then current form of agreement applicable to such uses including, without limitation, a storage tank use agreement or a mobile tank use agreement.

2. TERM

The term of this Lease shall commence and be binding on the Effective Date and shall continue, unless the Lease is extended or earlier terminated under the provisions of this Lease, until August 31, 2063 ("Expiration Date").

2.1 Option to Extend

Lessee acknowledges that current FAA policy requires lease terms be fifty (50) years or less in length. If FAA's parameters are modified in the future to allow for longer lease terms and/or options to extend the term of a lease for a longer period, if requested by Lessee, the Port and Lessee may amend this Lease to grant Lessee an option to extend the term of this Lease on terms reasonably acceptable to the Port and Lessee that are consistent with FAA policy regarding lease terms (with extension options). If the parties mutually agree, the Port may use reasonable efforts at the appropriate times to obtain FAA approval for either: (a) an amendment to extend the term of this Lease; or (b) a right of first opportunity regarding the extension of the term of this Lease.

3. RENT

3.1 Basic Rent and Rent

Lessee shall pay to the Port "Basic Rent," as described below. Basic Rent for the initial term of this Lease shall be prepaid in accordance with this Section. All other amounts which become payable by Lessee to the Port under this Lease, including any payments made by the Port in accordance with the terms of this Lease because of Lessee's failure to comply with this Lease, shall be considered "Additional Rent" due under this Lease. "Rent," as used herein, shall mean all such Additional Rent, together with Basic Rent. Lessee shall prepay the Basic Rent for the initial term of this Lease in two (2) lump sum payments within the first two (2) years of the term of this Lease as follows: (a) on or before the Contingency Waiver Date (as defined in Section 4.5). Lessee shall pay the Port a lump sum payment of ONE MILLION EIGHT HUNDRED SIXTY SEVEN THOUSAND ONE HUNDRED SIXTY-EIGHT DOLLARS AND NO CENTS (\$1,867,168.00); and (b) on or before the last day of the month that is twelve (12) months after the Contingency Waiver Date, Lessee shall pay the Port a lump sum payment of FOUR MILLION SEVEN HUNDRED EIGHTY EIGHT THOUSAND THREE HUNDRED EIGHTY-THREE DOLLARS AND NO CENTS (\$4,788,383.00). All Basic Rent provided for in this Section shall be deemed fully earned by the Port when paid. The prepaid Basic Rent shall be the absolute property of the Port immediately upon receipt and shall not be considered as Security Deposit (as defined in Section 3.7) held by the Port in trust for the benefit of Lessee, nor otherwise subject to any claim of Lessee. Rent is calculated to maintain an effective lease rate of SIX DOLLARS AND NO CENTS (\$6.00) per square foot as shown on **Exhibit E**.

3.2 Absolute Net

Except as otherwise expressly set forth in this Lease, Rent due under this Lease shall be absolute net to the Port with Lessee paying all costs associated with the use, development and occupancy of the Property including, but not limited to, taxes, assessments, utilities, maintenance, Common Area Assessments, and insurance.

3.3 Rent Payments; No Offset

Lessee shall pay any Rent not yet prepaid due to the Port, unless otherwise specifically provided for in Section 3.1, on or before the first (1st) day of each calendar month. Payment of Rent and other amounts due under this Lease shall be made without offset, abatement or deduction, to the Port at the following address or such other place as the Port may designate, on dates established in Section 1.1.2 and Section 1.1.3.

The Port of Portland
P.O. Box 5095
Portland, OR 97208 5095

3.4 Delinquency Charge

All Additional Rent and other amounts not paid when due shall bear a delinquency charge of eighteen percent (18%) per annum ("Delinquency Charge") or the maximum rate of interest allowed by law, whichever is less, from the date such Additional Rent and other amounts are due until paid in full. The Delinquency Charge is subject to periodic change as reasonably determined by the Port. No change shall occur, however without at least thirty (30) calendar days prior written notice to Lessee. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent, Additional Rent or any other amounts.

3.5 Returned Checks

If Lessee's check for payment of Rent or Additional Rent due under this Lease is returned to the Port for any reason, the payment shall be considered not to have been made and shall be delinquent. In addition to the Delinquency Charge, the Port may charge Lessee a returned check fee of FIFTY DOLLARS AND NO CENTS (\$50.00) per returned check, which Lessee agrees is a reasonable fee for the additional administrative time and expense incurred by the Port in having to deal with the returned check. The Delinquency Charge shall continue to accrue until the returned check fee is paid, the check can be cashed, and the Port receives all funds due. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port due to Lessee's failure to timely pay a returned check fee.

3.6 Acceptance of Rent

The Port's acceptance of a late or partial payment of Rent and/or a Delinquency Charge shall not constitute a waiver of any Event of Default (as defined in Section 11.1) nor shall it prevent the Port from exercising any of its other rights and remedies granted to the Port under this Lease or by law. It is hereby agreed that any endorsements or statements on checks of waiver, compromise, payment in full or any other similar restrictive endorsement shall have no legal effect. Lessee shall remain in violation of this Lease and obligated to pay all Rent due even if the Port has accepted a partial or late payment of Rent.

3.7 Security Deposit

Lessee shall deliver to the Port, upon the execution of this Lease by Lessee, a Security Deposit ("Security Deposit") in the form of an irrevocable standby letter of credit or cash in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$250,000.00). The Security Deposit shall not be considered to be held in trust by the Port for the benefit of Lessee and shall not be considered an advance payment of Rent or a measure of the Port's damages in the event of a Default (as defined in Section 11.1). Any cash Security Deposit may be commingled or

kept in a separate account at the option of the Port. Any cash Security Deposit shall be placed in an interest bearing account and interest will be credited at the same rate at which it is earned, as determined by the Port. The Port may, but shall not be obligated to, draw upon the Security Deposit to pay Rent or other amounts owed by Lessee following an uncured Event of Default, or to reimburse the Port for any other amounts suffered, expended, or incurred by the Port by reason of the uncured Event of Default including, but not limited to, Lessee's failure to pay any deductible or self-insurance retention required by this Lease. Further, the Port may draw on the entire Security Deposit immediately, without notice to Lessee, upon receipt of a notice of non-renewal of the letter of credit, if any, that constitutes the Security Deposit. If the Port does apply any of the Security Deposit, through a draw down on the letter of credit or the cash Security Deposit, to any of the above, Lessee shall, promptly upon written demand, replenish the Security Deposit to its original full amount. If Lessee fully performs all of its obligations under this Lease, the Security Deposit (and, if a cash Security Deposit, interest earned thereon) shall be released to Lessee within thirty (30) calendar days after expiration of this Lease and delivery of the Property to the Port, as required under this Lease. If, however, any question exists concerning Lessee's full compliance with this Lease, the Port shall be entitled to retain the Security Deposit until the Port is fully satisfied that there has been no breach of this Lease, even if it takes the Port longer than thirty (30) calendar days after expiration of this Lease and return of the Property to make such a determination; however, prior to expiration of such thirty (30) calendar day period, the Port shall give Lessee written notice of the reasons for retaining the Security Deposit. If no Event of Default exists, Lessee has completed construction of the Improvements, and has delivered to the Port: (a) evidence of substantial completion of construction; (b) copies of lien waivers from all general contractors and from all subcontractors and suppliers whose contracts exceed TEN THOUSAND DOLLARS AND NO CENTS (\$10,000.00), or, in the alternative, evidence satisfactory to the Port that the statutory period for filing construction liens has expired and no construction liens have been filed against the Property following the expiration of the statutory lien period or evidence that any liens filed before the expiration of the statutory lien period have been paid in full and the liens removed; and (c) an occupancy permit for the Improvements, as contemplated by the accepted plans, then the Security Deposit will be reduced to an amount equal to three (3) months' worth of then current real property taxes (or, if not available, the then estimated taxes) for the Property, including all Improvements. Lessee shall have the right to provide the reduced Security Deposit in the form of either an irrevocable standby letter of credit meeting all requirements of this Section or cash. Thereafter the Security Deposit will be adjusted every five (5) years to be equal to three (3) months' worth of the then estimated, or if available, the then current real property taxes for the Property, but in no event less than the most recent adjusted Security Deposit. Notwithstanding the above provisions of this Section, the Port shall have the right at any time during the term of this Lease or any extension of the term of this Lease to require Lessee to deposit an additional Security Deposit with the Port and/or provide additional financial assurance reasonably acceptable to the Port, in an amount or amounts reasonably determined by the Port to be commensurate with any increased risk associated with any of the following events: (i) as a condition of Port approval, as provided in Section 9.4.1, of Lessee's or any Sublessee's (as defined in Section 9.1) use, storage, handling, processing, manufacturing or recycling of Hazardous Substances (as defined in Section 7.1.3) not authorized under the first two sentences of Section 7.3; (ii) if the Port has given notice of violation of any provision of this Lease more than three (3) times during any consecutive twelve (12) month period; or (iii) upon Lessee's exercise of any extension option, to adjust for added risks such as increases in Basic Rent, property taxes, and other Additional Rent pursuant to Section 3.1.

3.8 Taxes and Assessments

Lessee agrees to pay before due, subject to Lessee's right to pay taxes in installments to the extent allowable under applicable law, all taxes, assessments, user fees and other charges, however named, which become due after the Contingency Waiver Date (as defined in Section 4.5) and before the expiration of this Lease, which may be levied or charged by the state, county, city, district or any other governmental body upon the Property or Improvements located on the Property, or upon any interest of Lessee acquired pursuant to this Lease, or any possessory right which Lessee may have in or to the Property or the Improvements thereon by reason of Lessee's occupancy thereof, as well as all taxes, assessments, user fees or other charges on all property, real or personal, owned by Lessee in or on the Property (collectively, "Taxes"), together with any other tax or charge levied wholly or partly in lieu thereof. If available by law, rule or order of the taxing authority, Lessee may make payments in installments. Lessee is hereby authorized by the Port to request from any taxing authority having jurisdiction over the Property that any and all bills for Taxes be sent directly to Lessee. To the extent that Lessee qualifies for tax exempt status, Lessee may apply for such exemption; however, unless an exemption is obtained, Lessee shall pay all Taxes. Lessee may contest the validity of an assessment against the Property as long as Lessee deposits sufficient funds to satisfy any amount determined to be owing at the conclusion of the proceeding to contest the assessment with an escrow agent reasonably approved in writing by the Port, with irrevocable instructions to pay such funds to the taxing authority upon unilateral written instruction from the Port. Lessee shall provide the Port a copy of the receipts and vouchers showing that the annual real property tax payment has been made as required by this Section. In the event that Lessee fails to pay Taxes on or before their due date then, in addition to all other remedies set forth in Section 11.2, the Port shall automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Lessee and Lessee shall immediately reimburse the Port for any amounts so paid. Lessee understands that the Property is exempt from real property taxes until leased to a taxable entity. Lessee understands and agrees that in the event that the term of this Lease ends after the end of any tax year, Lessee, unless exempt, shall be responsible for payment of real property taxes for the entire tax year without proration or, in the event of any change in property tax law, for any taxes due under such law (currently the tax year runs from July 1 to June 30). Lessee agrees that Multnomah County, Oregon, is an intended third party beneficiary of Lessee's obligation under this Lease to pay taxes owed to Multnomah County, and that Multnomah County may enforce such obligation directly, by an action for a money judgment, without affecting any right or remedy available under this Lease or otherwise. See the *Notice to Tenants* attached hereto as **Exhibit F**. Nothing contained in this Lease shall require Lessee to pay any capital levy, succession, corporate franchise, occupancy, gross receipts, rental, transfer or income tax of the Port nor shall any of the same be deemed Taxes.

4. CONTINGENCIES

4.1 Commission Approval

This Lease is subject to Port Commission approval.

4.2 FAA Approvals

As of the Effective Date, Lessee has sought FAA determination of FAA's 7460-1, *Notice of Proposed Construction or Alteration*, application to allow for Lessee's project. In the event a favorable determination is not granted for Parcel 1 or a conditioned determination is issued, either

party may terminate this Lease upon written notice to the other party, in which event this Lease shall be void.

4.3 Wetlands

The Port, at its cost, shall work diligently to obtain permits to fill the existing wetlands located on the Property. The Port shall keep Lessee reasonably informed of developments in such permitting process. If fill permits reasonably acceptable to the Port and Lessee are obtained, Lessee shall fill, at its cost, the wetland areas within and outside the Property as shown on **Exhibit G**. After filling such areas, Lessee shall provide survey data on the elevation of the filled areas. The parties agree to work cooperatively on a mitigation plan to address the compensatory mitigation requirement which could include purchasing credits or creating new wetlands. The Port will be responsible for funding the compensatory mitigation requirement. Mitigation must be conducted offsite so that habitat will not be created that is attractive to wildlife that could cause a hazard to aircraft. In an event a favorable determination is not granted for Parcel 1 or a conditioned determination is issued, either party may terminate this Lease upon written notice to the other party, in which event this Lease shall be void.

4.4 Receipt of Building Permits

Lessee shall diligently pursue obtaining building permits from the City of Portland for Lessee's proposed development of the Property. If by October 1, 2013, the City of Portland has not issued building permits for Lessee's proposed development of the Property subject to such conditions as are acceptable to Lessee in Lessee's sole discretion, and all appeals periods with respect to the issuance of such permits have elapsed without appeals have been filed, Lessee may terminate this Lease upon written notice to the Port, in which event this Lease shall be void.

4.5 Construction Loan Closing

Lessee shall diligently pursue obtaining a construction loan to finance Lessee's proposed development of the Property. If by October 1, 2013, Lessee has not obtained a construction loan to finance Lessee's proposed development of the Property subject to such conditions as are acceptable to Lessee in Lessee's sole discretion, Lessee may terminate this Lease upon written notice to the Port, in which event this Lease shall be void. As used herein, "Contingency Waiver Date" shall be deemed to be October 1, 2013, at which time all of the contingencies described in Section 4 should have been satisfied. If as of the Contingency Waiver Date they are not satisfied, then either party may terminate this Lease upon written notice to the other party, in which event this Lease shall be void.

5. LESSEE'S OTHER OBLIGATIONS

5.1 Port's Consent Required

Lessee shall obtain the Port's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) to the construction of the Improvements on the Property and after such building has been constructed, any alteration to the exterior of such building that materially expands the size of such building (collectively, "Work"). In addition to any other requirements imposed by applicable law, Lessee shall not commence Work unless Lessee complies with the process and conditions set forth in the Development Standards. In connection with such approval process, the Port may impose reasonable requirements on Lessee and on the contractors and agents performing Work on behalf of Lessee including, but not limited to, the requirement to submit plans and specifications in such detail and quantity as is determined necessary by the Port. The Port shall

have thirty (30) calendar days from the date of the submission of all required information concerning the Work to approve, disapprove or approve subject to conditions, the proposed Work. If approved, the Work shall be performed substantially in accordance with the approved plans and specifications, and with any conditions imposed upon such approval. All Work performed on the Property shall be performed in a workmanlike manner and, once commenced, shall be completed promptly thereafter.

5.2 Notice of Non Responsibility

At least three (3) calendar days prior to commencing any Work upon the Property, Lessee shall give written notice to the Port of the date upon which any such Work is to commence upon the Property so that the Port may post, at appropriate places, statutory notices of non-responsibility.

5.3 Improvements/Permits

All costs to develop the Property, including grading, fill and other preparation of the Property to meet the Lessee's construction requirements, construction of Improvements, installation of utility connections and on site utility systems, connection fees, system development charges and permit fees or government fees of any nature whatsoever, will be the responsibility of the Lessee. All development will be subject to Port review and approval (not to be unreasonably withheld, conditioned or delayed) and will be designed, constructed and maintained in accordance with Chapter 33.508 of the City of Portland's Code and Charter, *Cascade Station/Portland International Center (CS/PIC) Plan District* (found at the following website: <http://www.portlandonline.com/auditor/index.cfm?c=28197&a=53362>), the *Portland International Center Development Requirements and Standards for District B of the Cascade Station/Portland International Center Plan District* (found at the following website: http://www.portofportland.com/PDFPOP/Prp_Pic_DevStandards.pdf), the City of Portland's *Columbia South Shore Well Field Wellhead Protection Area Reference Manual* (found at the following website: <http://www.portlandonline.com/auditor/index.cfm?&a=319605&c=28123>), the *Portland International Airport Wildlife Hazard Management Plan* (found at the following website: http://www.portofportland.com/PDFPOP/Env_WildfireHzdMgtPrgm_PDX_2009.pdf), Port ordinances and regulations, and FAA regulations (collectively, "Development Requirements"). Lessee shall be responsible for improving the trail/setback area within Parcel 1 and, if the Option is exercised, within Parcel 2, in accordance with plans and specifications approved by the Port and in consultation with the City of Portland. Such trail Improvements in Parcel 1 shall be completed at the time as part of initial development of the Parcel 1 Improvements, and, if the Option is exercised, in Parcel 2 at the time and as part of initial development of the Parcel 2 Improvements. Lessee shall also be responsible for constructing any street right of way Improvements adjacent to the Property, if such Improvements are required by the City of Portland or other agency as a condition of Lessee's receipt of building or other permits. Subject to a Force Majeure (as defined in Section 17.12) event, Lessee shall use commercially reasonable efforts to complete construction on Parcel 1 of the Improvements within eighteen (18) months of the Contingency Waiver Date; provided, however, if Lessee elects to construct two (2) buildings as provided in Section 1.1.4, Lessee shall only be obligated to use commercially reasonable efforts to complete construction on Parcel 1 of one of the buildings, within eighteen (18) months of the Contingency Waiver Date. If Lessee exercises its Option, Lessee shall use commercially reasonable efforts to develop and complete construction on Parcel 2 of the building to be constructed on Parcel 2 within eighteen (18) months of the Contingency Waiver Date for Parcel 2. The Port acknowledges that the contemplated time to complete construction of the buildings on Parcel 1 shall be extended for such period of time as is reasonably necessary where: (a) Lessee is actively negotiating a potential sublease with a build to

suit user of the Property (as evidenced by the delivery of a letter of intent) where the subleasing of space in the Property will require a change to the master plan as it related to the Property; (b) Lessee is delayed due to weather conditions, it being acknowledged by the Port that the soils on the Property are extremely sensitive to weather conditions; and (c) Lessee is not able to start construction on or before October 1, 2013 based on the inability to obtain building permits and/or or the inability to obtain approval from the U.S. Army Corp of Engineers with respect to any required wetlands fill permit (it being understood that such inability shall delay the expected completion date by approximately twelve (12) months due to the extremely weather sensitive condition of the soils).

5.4 Construction Bonds

Lessee shall not commence the performance of any Work upon the Property, the cost of which could exceed ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000.00) (which amount shall be adjusted at the beginning of every tenth (10th) Lease year at the same rate of increase, if any, in the real property taxes for the Property over such ten year period) ("Threshold Amount"), without first obtaining and providing to the Port both payment and performance bonds each covering the total cost of such Work. The bonds shall provide for: (a) full performance of the construction of such Work; and (b) payment of all labor and materials. Each bond provided under this Section shall: (i) be issued by a surety reasonably approved by the Port using standards consistent with Section 17.18; (ii) be in an amount not less than the total costs of construction of such Work; and (iii) contain terms and be in a form reasonably acceptable to the Port. Work shall not be phased in any manner that would not ordinarily otherwise occur in order to avoid the bonding requirements described herein. All bonds signed by an agent shall be accompanied by a power of attorney or other evidence of the agent's authority on behalf of the surety. In no event shall Lessee divide the Work projects into increments of less than the Threshold Amount or engage in other forms of manipulating its Work contracts or projects to avoid obtaining the bonds required by this Section.

5.5 Inspection of Construction

The Port, its agents, employees and representatives shall at all times, with two (2) Business Days (as defined in Section 17.4) prior notice (except in the case of an emergency), have the right to come upon the Property for purposes of inspecting the construction of any Work. When exercising its rights under this Section, the Port agrees to interfere as little as is reasonably possible with Lessee's use and occupancy of the Property and the Work in progress.

5.6 Ownership of Improvements

Lessee shall be the owner of all Improvements constructed by Lessee on the Property. Lessee's ownership of the Improvements upon Parcel 1 shall terminate at the end of the term of this Lease when the Improvements shall become the property of the Port.

5.7 Waste, Removal and Demolition of Improvements

Except as provided elsewhere in this Lease (including, without limitation, Section 10), Lessee shall not cause or permit any waste or damage, disfigurement or injury to the Property or Improvements and shall not remove or demolish, in whole or in part, any Improvements on the Property without the prior written approval of the Port which may, at its reasonable discretion, condition such approval upon the obligation of Lessee to replace the same improvement specified in such approval.

5.8 Wetland Creation

Lessee shall use commercially reasonable efforts to avoid the creation of any new wetlands under any federal, state, regional or local jurisdiction on the Property, or on any adjacent property during the term of this Lease or extension thereof. Lessee shall develop and manage the Property so that no wetlands are allowed to form on the Property and so that Lessee's or Sublessees' (as defined in Section 9.1) development and use of the Property do not cause the formation of wetlands of any adjacent property. If wetlands are created due to Lessee's negligence, then Lessee is responsible for the loss of value to the Property in cash payment or other like consideration. If the Port believes that wetlands are likely to form on the Phase I and/or Phase II parcels or if wetlands are likely to form due to negligence by Lessee or Sublessees on the adjacent property known as the *Aviation Reserve* and Lessee has not taken corrective action, the Port shall have the right, but not the obligation, upon ten (10) calendar days prior written notice to Lessee (except in the case of an emergency), to enter onto the Property to correct the situation and charge Lessee for the reasonable cost of such correction. Lessee shall reimburse the Port within thirty (30) calendar days of receipt of invoice from the Port.

5.9 Maintenance

The Port shall have no maintenance or repair responsibilities with respect to the Property. Lessee shall, at Lessee's sole cost and expense, keep and maintain the Property, and all Improvements, landscaping, systems, and equipment located thereon (whether constructed by Lessee or the Port) including without limitation, the interior and exterior thereof, as well as systems, utilities and features extending beyond leased boundaries designated for Lessee's specific use, in good condition and repair, and in an operational condition and shall make all necessary and appropriate preventive maintenance, repairs, and replacements. Without limiting the effect of any other provision of this Lease, it is a material term of this Lease that the Improvements become the property of the Port upon the termination or earlier expiration of this Lease and that the Improvements be in good condition of maintenance and repair at such time, reasonable wear and tear excepted.

5.10 No Liens

Lessee shall not create, permit or suffer to be created or to remain any mechanic's or materialmen's liens to be filed against the Property or the Port by reason of any construction, labor, services, or materials performed or furnished at the request of Lessee or any of Lessee's contractors or agents. If any such lien shall at any time be filed against, Lessee may contest the same in good faith. Notwithstanding such contest, within thirty (30) calendar days after the filing thereof, Lessee shall cause such lien to be bonded over or released of record by payment, deposit, bond or order of a court of competent jurisdiction. In the event Lessee fails to clear or bond over the record of any such lien within the aforesaid period, the Port may remove said lien by paying the full amount thereof, or by bonding, or in any other manner which the Port deems appropriate, without investigating the validity thereof, and irrespective of the fact that Lessee may contest the propriety or the amount thereof. Thereafter, Lessee shall, upon demand, pay the Port the amount paid by the Port in connection with the discharge of said lien, together with interest thereon at the Delinquency Charge and all reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, which amounts are due and payable to the Port as Additional Rent on the first (1st) day of the following month. Nothing contained in this Lease shall be construed as consent on the part of the Port to subject the Property to any lien or liability. Lessee's obligation to observe and perform any of the provisions of this Section shall survive the expiration or earlier termination of this Lease.

5.11 Utilities

Lessee 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 Property at the request of or for the benefit of Lessee, including any and all drainage fees, connection fees and impervious surface fees charged by any governmental entity having jurisdiction. In the event that any utilities furnished to the Property are not separately metered, Lessee shall pay a prorated share of such utilities. This proration shall be based on Lessee's square footage of non separately metered space as a percentage of the total occupied non separately metered space. The Port shall not be responsible for verification of location of existing utility lines and/or connections. All costs of bringing the utilities from their current location to the Property shall be the sole responsibility of Lessee. In the event Lessee desires to install utility lines on or under the Property, Lessee shall first obtain the Port's written approval of the location of such lines, which approval shall not be unreasonably withheld, conditioned or delayed. No such installation shall adversely affect then existing lines. Upon the completion of the installation of the new lines, Lessee shall promptly deliver to the Port a survey indicating the location of the newly installed lines and showing a metes and bounds description thereof. Lessee shall maintain and repair all existing and newly installed utility lines at its sole expense.

5.12 Signs

Signs must be in compliance with the Development Standards. Lessee shall not erect, install, nor permit upon the Property any sign or other advertising device without first having obtained the Port's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lessee shall remove all signs and sign hardware upon the expiration or earlier termination of this Lease and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage.

5.13 Security

Lessee shall be fully responsible for security of the Property and the Port shall have no responsibility or liability under this Lease for security of the Property or of PIC. Lessee shall have no responsibility or liability to provide security in the common areas of PIC.

5.14 Fire Safety

Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Property and to that end shall maintain such fire suppression and other fire protection equipment as may be required pursuant to applicable governmental laws, ordinances, statutes and codes for the purpose of protecting the Improvements adequately and restricting the spread of any fire from the Property to any property adjacent to the Property.

5.15 Lessee's Marketing Plan

Lessee shall provide the Port with a marketing plan to market the Property no later than six (6) months after completion of construction of the Improvements. The Port may review and provide comments and suggested revisions to such marketing plan within thirty (30) calendar days after receipt.

5.16 Lessee's Responsibility As To Condition of Property

The Property and all Improvements thereon shall be kept in neat and orderly condition in compliance with all reasonable visual and design standards of PIC which may be reasonably

amended from time to time in a nondiscriminatory manner, and any and all applicable environmental best management practices.

6. PORT AUTHORITY AND OBLIGATIONS

6.1 Condition of Property

The Port makes no warranties or representations regarding the condition of the Property including, without limitation, the suitability of the Property for Lessee's intended uses. Lessee has had the opportunity to inspect the Property, accepts the Property in "as is" condition, and assumes all risks of the condition of the Property, known and unknown. Except as otherwise expressly set forth in this Lease, the Port shall have no liability to Lessee, and Lessee shall have no claim against the Port, for any damage or injury caused by the condition of the Property. Unless otherwise agreed to in writing by the Port or expressly set forth in this Lease, the Port shall have no responsibility to bring the Property into compliance with any laws including, without limitation, any building or occupancy codes.

6.2 Port's Construction Obligations

The Port shall have no construction obligations with respect to the Property.

6.3 Port Maintenance and Repair Obligations

The Port shall have no repair or maintenance obligations with respect to the Property.

6.4 Port Access to Property

Upon two (2) Business Days' (as defined in Section 17.4) notice (except in the event of an emergency), the Port shall have the right to enter upon the Property for the purposes of: (a) confirming the performance by Lessee of all of Lessee's obligations under this Lease; (b) doing any other act which the Port may be obligated or have the right to perform under this Lease; and (c) for any other lawful purpose with notice including, but not limited to, showing the Property to prospective Port tenants during the last two (2) years of term of this Lease in anticipation of termination. Such entry shall be made with reasonable advance notice and during normal business hours, where practical, except in cases of emergency in which cases no advance notice shall be deemed reasonable or required. Lessee waives any claim against the Port for damages for any injury or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Property or any other loss occasioned by such entry, except to the extent caused by the gross negligence or willful misconduct of the Port. The Port shall have the right to use any and all means which the Port may deem reasonable to open doors or windows in an emergency in order to obtain entry into any structure located on the Property.

6.5 Port Authority over the Airport and the Airport Public Facilities

In addition to any other rights granted by law or by this Lease, the Port reserves the following rights with respect to the Airport (including, without limitation, the Airport Public Facilities): (a) to adjust the boundaries of, expand or delete all or part of the Airport; (b) add to, delete, or amend all or any part of the Airport Rules applicable to all or portions of the Airport; (c) permit the use of the Airport by others in such manner as the Port may from time to time determine; (d) close all or any portion of the Airport; (e) construct additional buildings or other Improvements at the Airport; and (f) evict anyone from the Airport who fails to comply with any applicable laws, including applicable Port ordinances or Airport Rules. Lessee acknowledges the Port's responsibility to the public to prudently operate, maintain and develop the Port's facilities. In executing this responsibility, the

Port shall have the right to undertake developments, renewals, and replacements which the Port deems prudent or necessary. Such right shall include the right of the Port to terminate this Lease early in the lawful exercise of its powers of eminent domain in the event that Lessee's possession of the Property conflicts with, limits or interferes with proposed Port development, renewal, replacement or expansion of Port properties or operation of the Airport, subject to the notice requirements in Section 17.29.

6.5.1 Eminent Domain Rights

Nothing stated in Section 6 shall be construed to limit or restrict the Port's governmental rights of eminent domain.

7. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

7.1 Definitions

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

7.1.1 Environmental Costs

"Environmental Costs" shall be interpreted in the broadest sense to include, but not be limited to, costs and damages arising from or relating to: (a) any actual or claimed violation of or noncompliance with any Environmental Law (as defined in Section 7.1.2); (b) claims for damages, response costs, fines, fees or other relief relating to matters addressed in any Environmental Law; (c) injunctive relief relating to matters addressed in any Environmental Law; (d) Hazardous Substance Releases (as defined in Section 7.1.4); and (e) violations of any environmental provisions of this Lease. Costs and damages as used in this Section shall include but not be limited to: (i) costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring and maintenance; (ii) costs of reporting to or negotiating with any government agency; and (iii) reasonable fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, appeal or administrative proceedings; and (iv) diminution of value, loss, or restriction on use of property commensurate with the area of the property affected by a Hazardous Substance Release.

7.1.2 Environmental Law

"Environmental Law" shall be interpreted in the broadest sense to include, but not be limited to, any and all federal, State of Oregon and local laws, regulations, rules, permit terms, 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.

7.1.3 Hazardous Substance

"Hazardous Substance" shall be interpreted in the broadest sense to include, but not be limited to, any and all substances, emissions, 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. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleum derived products.

7.1.4 Hazardous Substance Release

"Hazardous Substance Release" shall be interpreted in the broadest sense to include, but not be limited to, 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 in compliance with Environmental Law, the terms of this Lease, or as authorized by a then current and valid permit issued under applicable Environmental Law.

7.2 General Environmental Obligations of Lessee

Lessee shall manage and conduct all of its activities on or relating to the Property: (a) in compliance with Environmental Law and the environmental provisions of this Lease; (b) in a manner designed to protect the environment; (c) in cooperation with the Port in the Port's efforts to comply with Environmental Law; and (d) in adherence with best management practices applicable to Lessee's use of the Property. Lessee shall manage and, as appropriate, secure the Property and its occupation or use of the Property so as to prevent any violation of Environmental Law by any party on or relating to the Property.

7.3 Use of Hazardous Substances

In conjunction with and in the ordinary course of the Permitted Uses, and without further written consent other than that granted by this Section, Lessee shall be permitted to use, handle or store, for their intended purposes in accordance with all manufacturers' instructions, Hazardous Substances consisting of: (a) small quantities of ordinary office and janitorial supplies available at retail; (b) petroleum derived products fully contained within motor vehicles (including aircraft), and warehouse materials handling equipment; (c) Hazardous Substances to the extent reasonably and necessarily used in the course of normal business operations of Lessee and Lessee's subtenants, including forklifts and material handling equipment typical of warehouse, distribution and logistics users; and (d) small quantities of used petroleum derived products to be recycled.

7.4 Solid Waste Management and Recycling

Lessee shall manage all waste stream in accordance with applicable federal, State and local laws and regulations, including meeting recycling and waste minimization goals established by regulatory authorities. Lessee shall place all garbage, refuse and recyclable materials in the appropriate container on the Property. Lessee shall, at Lessee's sole expense, provide for the neat and sanitary handling of all trash and other refuse generated as a result of Lessee's operations. Lessee shall provide and use suitable covered fireproof receptacles for all trash and other refuse. Lessee shall not permit waste boxes, cartons, barrels, pallets or other similar items to be piled or stored in view of any Airport Public Facilities.

7.5 Hazardous Substance Storage Tanks

Except with the prior written consent of the Port, which consent shall not be unreasonably withheld, conditioned or delayed, no aboveground, underground or mobile storage tanks (including fueling trucks) for the storage of Hazardous Substances shall be installed or operated by Lessee on the Property. As a condition of its consent, the Port will require Lessee to sign the Port's then current form of agreement applicable to such uses including, but not limited to a storage tank use agreement.

7.6 Storm Water and Wash Water Discharges

Lessee will be responsible, at its sole cost, to install a storm drain system to direct storm drainage from the Property into the drainage ditch located at the southwest corner of the Property. As a condition of Port's approval of the storm drainage plans, Lessee will be required to enter into a storm water system use agreement ("System Use Agreement"). Lessee is authorized to discharge storm water into the Port's Storm Water Management System ("System") on condition that Lessee complies with Environmental Law and the environmental provisions of this Lease including, but not limited to, ordinances, rules and/or regulations that are promulgated by the Port now or in the future related to use of the System. The System does not include the sanitary sewer system. Unless otherwise agreed to in writing by the Port, Lessee must manage the storm water associated with the Property at Lessee's sole cost. Lessee will own all storm water system infrastructure installed on the Property by Lessee and will be responsible for all maintenance and operation of the System on the Property. Lessee is responsible to ensure there is sufficient hydraulic capacity in the storm water system infrastructure downstream from the Property to convey storm water flows. Design of the storm water system should be consistent with the City of Portland's storm water manual, which is holding the ten (10) year, twenty four (24) hour storm to predevelopment conditions. In the event Lessee exercises the Option and enters into a lease agreement for Parcel 2, Lessee will be responsible at its sole cost to install a storm drain system for Parcel 2 and to amend the System Use Agreement to cover Parcel 2.

7.6.1 Permit Required

Lessee must obtain a NPDES 1200-C permit ("Permit") before undertaking construction activities on the Property. To the extent Lessee's activities on the Property trigger a requirement for the Permit pursuant to Environmental Law, it is Lessee's responsibility to obtain and comply with the Permit. Lessee is responsible for ensuring that Lessee complies with the best management practices, terms and conditions of the Permit. Except to the extent caused by the Port's negligence or willful misconduct, Lessee shall defend, indemnify and hold the Port harmless from and against, and reimburse the Port for any liability associated with Lessee's discharges to the System, including noncompliance with the Permit. The Port compiles information required for agency submittals to ensure compliance with the Permit. Lessee shall cooperate with the Port and respond as soon as reasonably practicable to Port or agency requests for information associated with action plans, annual reports, or other required Permit submittals. Upon request, Lessee shall make available all documents required to be maintained by Lessee pursuant to the Permit including, but not limited to, inspection records, cleanout records, maintenance records, data, reports, and spill response plans.

7.6.2 Right of Inspection

The Port has the right to enter the Property in accordance with Section 6.4 for purposes of conducting inspections related to storm water management and compliance including, but not limited to, inspecting Lessee's activities that may potentially impact storm water at the Property, collecting storm water data, and reviewing Storm Water Records. Such inspection, conducted at Port's expense, shall be conducted in a manner that will not unreasonably interfere with operations of Lessee and Lessee's subtenants.

7.6.3 Storm Water Treatment

In order to comply with Environmental Law, Lessee may be required to implement storm water treatment methods. If storm water treatment or other control is imposed upon Lessee or the Port under applicable Environmental Law to address storm water associated with Lessee's activities including, as a result of a permit, a letter directive, an order, an agreed order or an agreed judgment released by the Department of Environmental Quality ("DEQ") or the Environmental Protection Agency, or as a result of a lawsuit, Lessee shall design and install a storm water treatment system at Lessee's cost and the Port shall have the right to approve the method, design and installation of any such treatment system (such approval shall not unreasonably be withheld, conditioned or delayed) to ensure compliance with applicable Environmental Law, including the Port's storm water permit(s), and the protection of the Property.

7.6.4 Wash Water

Unless expressly approved in writing by the Port, which approval shall not be unreasonably withheld, conditioned or delayed, Lessee shall not discharge any Wash Water into the System. "Wash Water" means any water of any kind used for cleaning, rinsing or washing purposes. If the Port allows discharge of Wash Water, Lessee must comply with Environmental Law, the environmental provisions of this Lease and any other terms and conditions of the Port's written approval (which approval shall not be unreasonably withheld, conditioned or delayed). Copies of all non-privileged documents related to such compliance shall be made available to the Port upon request.

7.6.5 Underground Injection Controls

Construction or use of any kind of an underground injection control ("UIC") system, including dry wells, storm water injection wells or subsurface fluid distribution systems such as French drains, sumps and drainfields, is prohibited without prior written approval of the Port, which approval shall not be unreasonably withheld, conditioned or delayed. All approved UICs must be registered in accordance with Environmental Law.

7.6.6 Charges

The Port reserves the right to impose reasonable charges uniformly applied to similarly situated users in PIC for the repair, maintenance, and regulation of the System. The Port will provide Lessee with at least sixty (60) calendar days prior written notice of the imposition of, or any increase in, any such charge.

7.6.7 Storm Water Sampling

If Lessee undertakes storm water sampling pursuant to the Storm Water Pollution Control Plan, storm water permit, or for any other purpose, Lessee shall provide the Port with copies of any and all storm water sampling results obtained by Lessee of storm water generated at, discharged from, or present at the Property, as soon as reasonably practicable following the receipt of laboratory results, but in no event greater than ten (10) Business Days (as defined in Section 17.4).

7.7 Sanitary Sewer

Lessee will be responsible, at its sole cost, to connect into the City of Portland's sanitary sewer line(s) in N.E. Alderwood Street and to extend sanitary sewer service (by way of private sewer line) on the Property and, if the Option is exercised, Parcel 2. Lessee will be responsible, at its sole

cost, for all connection fees, system development charges and all other initial and ongoing fees and charges associated with the connection into the public system and use of its private, on site sewer lines.

7.8 Soil or Waste

Lessee shall not knowingly store, treat, deposit, place or dispose of treated or contaminated soil, industrial by products, or waste on the Property in violation of Environmental Law, without the prior written consent of the Port, which consent may be granted or denied in the Port's sole discretion.

7.9 Environmental Audits

7.9.1 Initial Audit

An audit of the Property was performed on behalf of Lessee on June 12, 2013 by AMEC Environmental & Infrastructure, Inc., entitled *Phase I Environmental Site Assessment, Portland International Center Parcels 1 and 2, Portland, Oregon* ("Initial Audit"). The scope and procedures of the Initial Audit have been agreed upon by the Port and Lessee with the understanding that the Initial Audit shall serve as a baseline for determination of future environmental liability, as described in more detail in Section 7.11.2.

7.9.2 Special Audit

If the Port, at any time during the term of this Lease or any extension thereof, has reason to suspect that Hazardous Substances are being or have been created, used, handled, stored, generated, disposed, placed and/or transported contrary to the requirements of this Lease, in violation of any Environmental Law or the terms of this Lease, or in any manner that has resulted, or is likely to result, in a Hazardous Substance Release, then the Port may, after written communication of those reasons to Lessee, without limiting its other rights and remedies, conduct a special audit of the Property. If no contamination is discovered or if contamination is determined not to be caused by Lessee's operations, with respect to the environmental matters of concern to the Port, such special audit shall be at the Port's expense ("Special Audit").

7.9.3 Exit Audit

Upon expiration or earlier termination of this Lease or in connection with any assignment of the Lease or any sublease of the entire Property to one Sublessee for the entire remaining term of this Lease, the Port, at its sole option, shall conduct and Lessee shall pay for an environmental audit ("Exit Audit") of the Property to determine: (a) the environmental condition of the Property; (b) whether any Hazardous Substance Release has occurred during the term of this Lease on or about the Property; and (c) whether there is evidence of any violation of applicable Environmental Law or the environmental provisions of this Lease. The scope of the Exit Audit may be more extensive than that of the Initial Audit, if the Port has reason to believe that there has been a Hazardous Substance Release or a violation of the environmental provisions of this Lease, or a violation of Environmental Law.

7.9.4 Audit Requirements

The scope of all environmental audits, except the Initial Audit, shall be determined solely by the Port. If any environmental audit performed under this Lease recommends Additional Testing (as defined in Section 14.3) or analysis or recommends an additional audit then, unless otherwise agreed to in writing by the Port and Lessee, Lessee shall perform the additional

recommended testing, analysis or audit and the records and results of such additional Work shall be considered a part of the audit that triggered the need for the additional Work. The Port and Lessee shall each receive a signed copy of any environmental audit report prepared pursuant to this Lease.

7.10 Environmental Inspection

The Port reserves the right, at any time and from time to time, after notice to Lessee and in accordance with Section 6.4, to inspect the Property, Lessee's operations on and use of the Property, and Lessee's environmental records. Such inspection, conducted at Port's expense, shall be conducted in a manner that will not unreasonably interfere with Lessee's operations.

7.11 Lessee's Liability

7.11.1 Hazardous Substance Releases

Except as provided in Section 7.11.4, Lessee shall be responsible for any Hazardous Substance Release on the Property, on other properties, in the air or in adjacent or nearby waterways (including groundwater) caused by Lessee's occupancy or use of the Property under this Lease or under any previous agreement, and which either occurs during the term of this Lease or occurs or continues after the term of this Lease.

7.11.2 Presumption

The Initial Audit shall be used as a baseline for determination of future Lessee liability between Lessee and the Port with respect to the Property. If the presence of a Hazardous Substance, a Hazardous Substance Release, a violation of applicable Environmental Law or of an environmental provision of this Lease is discovered or disclosed, that was not discovered or disclosed in the Initial Audit, then a rebuttable presumption will exist, as to matters within the scope of the Initial Audit, that Lessee is the cause of and is responsible for all response, remediation, restoration and Environmental Costs arising from such Hazardous Substance, Hazardous Substance Release, violation of applicable Environmental Law or of any environmental provision of this Lease. The presumption established by this Section shall expire after the results of the Exit Audit have been obtained and all response, remediation and full payment of Environmental Costs for which Lessee is responsible under this Lease have been completed.

7.11.3 Lessee's Liability for Environmental Costs

Except for the limitations on Lessee's liability as set forth in Section 7.11.4, Lessee shall be responsible for all Environmental Costs arising under this Lease.

7.11.4 Limitation of Lessee's Liability

Notwithstanding anything to the contrary provided in this Lease, Lessee shall have no responsibility for Hazardous Substances or Hazardous Substance Releases, or Environmental Costs arising from Hazardous Substances or Hazardous Substance Releases that: (a) existed on the Property prior to the date of Lessee's occupancy of the Property under this Lease (except if caused by Lessee or Lessee's agents, employees or contractors); (b) are caused by the Port or the agents, employees, contractors, or other tenants of the Port after the Effective Date; (c) was caused by other third party operators, property owners or lessees, or which arises out of an event first occurring outside of the Property; and (d) was caused by a third party that is in no way related a contractor, agent, invitee or employee of Lessee and which Lessee has done nothing material to contribute to or exacerbate such Hazardous Substance Release.

7.12 Port's Liability for Certain Hazardous Substance Releases

In the event that during construction of a Permitted Use, Lessee discovers a Hazardous Substance Release that was not discovered or disclosed in the Initial Audit, and Lessee demonstrates, consistent with Section 7.11.4, that the Hazardous Substance Release was caused by the Port, its employees, agents, contractors or former lessees of the Property, and that the Hazardous Substance Release is present at levels that exceed risk-based concentrations ("RBCs") established by DEQ in its "Risk-Based Decision Making for the Remediation of Petroleum-Contaminated Sites" Guidance (RBC Table Revised June 7, 2012) for (indoor and outdoor settings) occupational, construction and excavation worker exposures, or to the extent there are no RBCs available for a specific constituent, then at concentrations that exceed USEPA Regional Screening Levels ("RSLs") (Regions 3, 6 and 9) for industrial soils (EPA 2012), then the Port shall, upon prompt notice by Lessee, access the Property and perform any investigation, removal, remedial action, remediation and response action, as those terms are defined in ORS 465.200 and 42 U.S.C. 9601, requested or required by any federal or state regulatory agency. The Port shall at all times while on the Property comply with all federal, state and local laws and regulations, including Environmental Laws, any and all Property health and safety plans, procedures or protocols established by Lessee, and shall use reasonable efforts, to the extent practical, to avoid or minimize disruption of Lessee's construction of the Permitted Use.

7.13 Environmental Remediation

7.13.1 Immediate Response

In the event of a violation of Environmental Law, a violation of an environmental provision of this Lease, a Hazardous Substance Release, or the threat of or reasonable suspicion of the same for which Lessee is responsible under this Lease, Lessee shall as soon as reasonably practicable undertake all acts required by the government authority responsible for enforcing Environmental Law to correct the violation or investigate, contain, and stop, the Hazardous Substance Release and remove the Hazardous Substance.

7.13.2 Remediation

Lessee shall as soon as reasonably practicable undertake all acts required by the government authority responsible for enforcing Environmental Law to ensure that any Hazardous Substance Release is remediated and that any violation of Environmental Law or environmental provisions of this Lease are corrected to the extent required under Environmental Law. Lessee shall remediate, at Lessee's expense, all Hazardous Substances to the extent required under Environmental Law for which Lessee is responsible under this Lease or under any Environmental Law, and shall restore the Property or other affected property or water to the condition required pursuant to Environmental Law. The obligations of Lessee under this Section shall be subject to the limitations on Lessee's liability set out in Section 7.11.4.

7.13.3 Report to the Port

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

7.13.4 Port's Approval Rights

Except in the case of an emergency or an agency order requiring immediate action, Lessee shall give the Port advance notice before beginning any investigatory, remediation or removal procedures. Subject to Lessee's obligation to remediate as set forth in Section 7.13.2, the Port shall have the right to exercise reasonable approval or disapproval of the proposed investigatory, remediation and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Lease or by Environmental Law, whether on the Property or on any affected property or water. The Port will have the right to require Lessee to request oversight from the DEQ of any investigatory, containment, remediation and removal activities and/or require Lessee to seek a statement from DEQ of "No Further Action."

7.14 Notice

Lessee shall as soon as reasonably practicable notify the Port upon becoming aware of: (a) a violation or alleged violation of Environmental Law related to the Property or to Lessee's occupation or use of the Property or any environmental provision of this Lease; and (b) any Hazardous Substance Release on, under or adjacent to the Property 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 Business Day (as defined in Section 17.4), Lessee shall notify the Port by calling the Port's emergency telephone number. That number currently is (503) 460-4000.

7.15 Port's Right to Perform on Behalf of Lessee

Except in the event of an emergency or an agency order requiring immediate action, the Port shall have the right, upon giving Lessee thirty (30) calendar days written notice, to perform its obligations arising under this Lease and charge Lessee the resulting Environmental Costs. The Port may not commence performance on behalf of Lessee under this Section if, within the thirty (30) calendar days' notice period, Lessee promptly begins and diligently pursues to completion the performance of the obligations set forth in the Port's notice.

7.16 Port's Option to Treat Lessee as Holdover Tenant

Until such time as Lessee has fulfilled all of its obligations under Section 7 and all applicable Environmental Law, the Port may, in the Port's sole discretion, treat Lessee as a Holdover Tenant or Tenant at Sufferance as provided in Section 12.3. Notwithstanding the foregoing sentence, to the extent Lessee's unfulfilled obligations pertain to only a portion of the Property, the Port shall identify and rent shall be abated except with respect to the impacted portion.

8. INDEMNITY, INSURANCE

8.1 Lessee's General Indemnity; Reimbursement of Damages

Lessee agrees to defend (using legal counsel reasonably acceptable to the Port taking into consideration that in certain circumstances legal counsel is designated by insurance carriers), indemnify, and hold harmless the Port from and against and reimburse the Port for any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, Environmental Costs and/or penalties (collectively "Costs") which may be imposed upon, claimed against or incurred or suffered by the Port due to actual damage or loss to a third party and which, in whole or in part, directly or indirectly, arise from the following, except to the extent resulting from the Port's gross negligence or willful acts, omissions or misconduct: (a) any act, omission or negligence of Lessee; (b) any use, occupation,

management or control of the Property by Lessee, whether or not due to Lessee's own act or omission and whether or not the resulting damage occurs on the Property; (c) any condition created in or on the Property by any party (other than the Port) including, without limitation, any accident, injury or damage occurring in or on the Property after the Contingency Waiver Date but does not include a condition resulting from an action arising out of an event first occurring outside of the Property or was caused by a third party that is not a contractor, agent, invitee or employee of Lessee and which Lessee has done nothing material to contribute to or exacerbate such condition; (d) any triggering environmental event for which Lessee is responsible under this Lease including, without limitation, any injury or damage occurring therefrom; and (e) any breach, violation or nonperformance of any of Lessee's obligations under this Lease. For purposes of this Section (a) through (e), Lessee shall be deemed to include Lessee and Lessee's partners, officers, directors, employees, agents, invitees, Sublessees (as defined in Section 9.1) and contractors, and the Port shall mean the Port, its commissioners, directors, agents and employees. Neither Lessee's partners, officers, directors, employees, and agents nor the Port's commissioners, directors, agents and employees shall be held personally liable under the provisions of this Section.

8.2 Insurance Requirements

Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements.

8.2.1 Certificates; Notice of Cancellation

On or before the Contingency Waiver Date and thereafter during the term of this Lease (and any extension thereof), Lessee shall provide the Port with current certificates of insurance, including a copy of the additional insured endorsement required in Section 8.2.2, executed by a duly authorized representative of each insurer, evidencing the existence of all insurance policies required under this Section. The Port shall receive at least thirty (30) calendar days written notice prior to cancellation, non-renewal, or material change in any policy required under this Section. Insurance must be maintained without any lapse in coverage during the term of this Lease. The Port shall also be given copies of Lessee's policies of insurance, upon request. Failure of the Port to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Port to identify any deficiency or noncompliance with coverage requirements shall not be construed as a waiver of Lessee's obligation to maintain the insurance required by this Lease.

8.2.2 Certificate Submission

Unless otherwise directed by the Port, Lessee shall submit the certificate of insurance to the Port using a Port-designated online insurance certificate management system ("Certificate Management Firm"). Until further notice by the Port in writing pursuant to Section 17.29, the Certificate Management Firm is myCOI, 1075 Broad Ripple Avenue #313, Indianapolis, IN 46220, www.mycoitracking.com. Lessee shall comply with all reasonable requirements of such Certificate Management Firm including, if required, registration with the Certificate Management Firm. After the initial submission, all requests of insurance certificates shall be made directly between the Certificate Management Firm and Lessee's insurance provider.

8.2.3 Additional Insured; Separation of Insureds

The Port shall be named as an additional insured in each general liability policy, other than employer's liability, and as an additional insured and loss payee in each property insurance policy. Such insurance shall provide cross liability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Offices or a successor organization.

8.2.4 Primary Coverage

The required policies shall provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance carried by the Port.

8.2.5 Company Ratings

All policies of insurance must be written by companies having an A.M. best rating of "A-" or better, or equivalent. The Port may, upon thirty (30) calendar days written notice to Lessee, require Lessee to change any carrier whose rating drops below an "A-" rating.

8.2.6 Deductibles and Retentions

Any deductible or self-insured retention of the per occurrence or per accident limit of a required policy in excess of the following is subject to approval by the Port: three percent (3%) of the insured value for earthquake with ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000.00) minimum per occurrence; ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000.00) for flood and pollution; and FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00) for any other coverage required in Section 8.3.

8.3 Required Insurance

At all times during this Lease, Lessee shall provide and maintain the following types of coverage.

8.3.1 General Liability Insurance

Lessee shall maintain an occurrence form commercial general liability policy or policies insuring against liability arising from premises operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Property or occasioned by reason of the operations of Lessee in an amount not less than TEN MILLION DOLLARS AND NO CENTS (\$10,000,000.00) per occurrence.

8.3.2 Property Insurance

Lessee shall maintain, in full force and effect during the term of this Lease, "all risk" property insurance (including the perils of flood and earthquake/earth movement) or equivalent, covering all buildings, boilers and machinery, fixtures, equipment, and all other Improvements and betterments located on the Property, except Lessee's or Lessee's subtenants personal property. Coverage shall be in an amount equal to one hundred percent (100%) of the replacement value. Such insurance shall include the insurer's waiver of subrogation in accordance with Section 8.4.

8.3.3 Automobile Liability Insurance

In the event that motor vehicles are used in connection with Lessee's business or operations at the Property, Lessee shall maintain an automobile liability policy or policies insuring against liability for bodily injury, death, or damage to property, including loss of use thereof, and

occurring in any way related to the use, loading or unloading of any of Lessee's motor vehicles (including owned, hired and non-owned motor vehicles) on and around the Property. Coverage shall be in an amount not less than ONE MILLION DOLLARS AND NO CENTS (\$1,000,000.00) each accident.

8.3.4 Workers' Compensation Insurance

Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees in accordance with all requirements of Oregon law. Lessee shall also maintain employers liability coverage in an amount not less than FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00) per accident and FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00) per employee for disease. In lieu of such insurance, Lessee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of excess workers' compensation and employer's liability insurance.

8.3.5 Pollution Insurance

Lessee shall maintain pollution liability insurance covering liability for bodily injury, property damage, including first party cleanup costs, resulting from sudden and accidental release and gradual release of pollutants on land and on water (including ground water). The amount of such insurance shall not be less than ONE MILLION DOLLARS AND NO CENTS (\$1,000,000.00) per occurrence or per claim. If coverage is claims made, the retroactive date shall be on or before the Contingency Waiver Date; coverage shall be maintained continuously in effect until two (2) years after termination of this Lease or all obligations under this Lease have been completed, whichever is later; and until two years after the date of an assignment and release of Lessee pursuant to Section 14.3, and if coverage or insurer is replaced, continuity of coverage shall be maintained through extended reporting endorsements and prior acts coverage on the replaced and replacement policies.

8.3.6 Builder's Risk Insurance

During the construction of the Work, Lessee shall obtain and maintain for the benefit of the parties to this Lease, as their interests may appear, all risk builder's risk insurance equal to one hundred percent (100%) of the value of the of the project including, without limitation, loss of rents coverage in such amounts as Lessee determines appropriate. Coverage shall also include: (a) form work in place; (b) form lumber on site; (c) temporary structures; (d) equipment; and (e) supplies related to the Work while at the site.

8.3.7 Lessee's Risks

Lessee shall be responsible for obtaining any insurance it deems necessary to cover its own risks including, without limitation: (a) personal property; and/or (b) automobile physical damage and/or theft. In no event shall the Port be liable for any: (i) business interruption or other consequential loss sustained by Lessee; (ii) damage to, or loss of, personal property; or (iii) damage to, or loss of, an automobile, whether or not such loss is insured, even if such loss is caused by the negligence of the Port.

8.4 Waiver of Subrogation

Lessee and the Port each waive any right of action that it and/or its insurance carrier(s) might have against the other (including their respective employees and agents and the Port's commissioners) for any loss, cost, damage, or expense (collectively "Loss") covered by any property

insurance policy or policies maintained or required to be maintained pursuant to this Lease. Lessee also waives any right of action it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any Loss to the extent such Loss is a property loss covered under any applicable automobile liability policy or policies required by this Lease. Port does not waive its rights under Section 8.3.7. If any of Lessee's applicable insurance policies does not allow the insured to waive the insurer's rights of recovery prior to a Loss, Lessee shall cause such policies to be endorsed to allow the waivers of subrogation required by this Section.

8.5 Periodic Review

The Port shall have the right to review the limits and terms of insurance coverage once every five (5) years and the types of insurance coverage every fifteen (15) years for consistency with then current types, limits and terms of insurance coverage for similar operations. If the Port determines that certain types of insurance are not generally available in the marketplace at reasonable terms and pricing for similar operations, Lessee shall not be required to carry such insurance until such insurance becomes available for similar operations. In the event the Port reasonably determines that such types, limits, and/or terms should be changed to be consistent with then current types, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations, the Port will give Lessee a minimum of ninety (90) calendar days' notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within thirty (30) calendar days of Lessee's receipt of such updates. Lessee shall have the right to periodically request the Port to conduct a review of the then current types, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations if Lessee believes the current types, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations have changed. The Port shall reasonably consider such request to determine if Lessee's current coverage comports with what is generally available in the marketplace at reasonable terms and pricing for similar operations, and make changes to the insurance requirements under this Lease accordingly.

8.6 Survival of Indemnities

The indemnity agreements set forth in Section 8 shall survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

9. SUBLEASES

9.1 General Provisions; Sublease Form

Lessee intends to sublease space on the Property to one (1) or more tenants ("Sublessees"). Subject to this Section, Lessee shall use the standard form of sublease agreement, attached hereto as **Exhibit H** ("Approved Sublease Form"), which may not be amended or modified in any way that would cause it to conflict with, or expand the terms of this Lease. All subleases under this Lease, whether on the Approved Sublease Form or a Special Sublease Form (as defined in Section 9.2), shall be subject to the criteria listed below in (collectively, "Sublease Criteria"): (a) the term of any sublease granted to any Sublessee shall not exceed the term of this Lease; (b) no Hazardous Substances may be used, stored, or otherwise handled by any Sublessee on the Property, except as permitted under this Lease; and (c) all subleases shall contain: (i) a provision that the Port and Lessee shall have the right to enter upon the subleased premises and common areas within the

Property upon reasonable advance written notice to Sublessee of not less than two (2) Business Days (as defined in Section 17.4) to conduct environmental audits; (ii) a provision that Sublessees recognize and agree that such environmental audits may require Sublessees to temporarily move product, equipment or furniture or otherwise disrupt Sublessees' operations; and (iii) a waiver of any claim for damages arising from such entry except in the case of the Port's willful misconduct and gross negligence (and in no event, consequential damages). Subject to the provisions contained in the previous sentence, in performing such environmental audits the Port shall make commercially reasonable efforts not to disturb or interfere with the quiet enjoyment of Lessee or its Sublessees in the Property.

9.2 Special Sublease Form

If a Sublessee requires that its sublease form be used instead of the Approved Sublease Form ("Special Sublease Form"), Lessee shall be permitted to submit the Special Sublease Form to the Port for its approval (which approval shall not be unreasonably withheld, conditioned or delayed) as provided in Section 9.4, provided such sublease must state that it is subordinate to the terms of this Lease and otherwise meets the requirements applicable to all subleases as stated in Section 9.4.

9.3 Environmental Audits of Sublessees

At the beginning and at the end of each sublease term, Lessee shall complete, at its cost, an environmental audit of that portion of the Property to be subleased by that Sublessee. The Exit Audit for one Sublessee may serve as the Initial Audit for a new Sublessee, provided that the time between the Exit Audit and the occupation of such portion of the Property by the new Sublessee does not exceed six (6) months, the Exit Audit is conducted pursuant to *American Society for Testing and Materials* ("ASTM") standards, and no other use of the subleased property occurs during that period. If the Sublessee adds to or reduces its sublease space, Lessee shall perform an environmental audit of that additional or vacated space. Upon their completion, Lessee shall promptly provide a copy of all such environmental audit reports to the Port, at no cost to the Port. In no event shall any environmental audits performed under this Section relieve Lessee of its responsibility for violations of Environmental Law or other provisions of this Lease. If Port determines that the use(s) are low risk, the Port may at its sole discretion allow Lessee to use the initial baseline audit supplemented by a walk through by Port staff to fulfill this requirement. Lessee must request this in writing and the Port will provide a determination within ten (10) calendar days after receiving a complete list of uses. Port will then provide the walkthrough within thirty (30) calendar days. If, during the walkthrough, the Port determines or has reason to suspect that a hazardous substance release has occurred or is at risk of occurring, the Port may require that an environmental site assessment in compliance with the applicable ASTM standards be completed.

9.4 Sublease Review Process

9.4.1 Required Submittals

Prior to entering into a sublease or any amendment thereto, Lessee shall provide the Port with the following information for the Port's review and approval: (a) a completed copy of the proposed sublease, whether an Approved Sublease Form or a Special Sublease Form is used, and in the case of using the Approved Sublease Form, marked to show any changes to the Approved Sublease Form; (b) the square feet to be subleased by the Sublessee; (c) a statement indicating whether the Sublessee would occupy the entire Property; (d) the proposed use of the space to be sublet by Sublessee; (e) a nonrefundable payment in the form of a check payable to the Port of

Portland in the amount of FIVE HUNDRED DOLLARS AND NO CENTS (\$500.00) for review of the Approved Sublease Form or in the amount of ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00) for review of any Special Sublease Form (each a "Sublease Review Fee"); and (f) if the use of any Hazardous Substance is proposed (other than a permitted use of Hazardous Substances) a description of such Hazardous Substances including a *Material Safety Data Sheet*. Items (a) through (f) in this Section are the "Required Submittals". The Sublease Review Fee shall be subject to increase every ten (10) years based on any increase in the *Consumer Price Index—U.S. City Average for all Items for All Urban Consumers (1982-84=100)* published in the *Monthly Labor Review* by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-U") over the previous ten (10) year period. Lessee shall be responsible for obtaining from Sublessees any Required Submittals to be provided by Sublessees and for submitting all Required Submittals to the Port. Lessee shall also be responsible for assuring that Sublessees comply with any conditions for Port approval of proposed uses of Hazardous Substance. All sublessees of all Sublessees shall be subject to the same review process and terms of Port approval as set forth in this Section. For the purposes of this Lease, the term Sublessee shall include all sublessees of Sublessees.

9.4.2 Change in CPI-U

In the event the CPI-U is discontinued, the CPI-U published in the *Monthly Labor Review* by the Bureau of Labor Statistics of the United States Department of Labor shall be used for making the computation. In the event the Bureau of Labor Statistics of the United States Department of Labor no longer maintains such statistics on the purchasing power of the U.S. consumer dollar, comparable statistics published by a responsible financial periodical or recognized authority selected by the Port shall be used for making the computation. If the CPI-U base year 1982-84 (or other base year for a substituted index) is changed, the denominator figure used in making the computation in this Section shall accordingly be changed so that all increases in the CPI-U from the base year are taken into account notwithstanding any such change in such CPI-U base year. The provisions of this Section shall apply to all references to the CPI-U in this Lease.

9.4.3 Port Sublease/Use Review

The Port's review of subleases pursuant to this Section shall consist of and be limited to verifying: (a) that the proposed use of the Property under the sublease is an Allowed Use; (b) whether the Approved Sublease Form or Special Sublease Form is being used; (c) that the terms of any Special Sublease Form, or any proposed changes to the Approved Sublease Form, as applicable, are consistent with the terms of this Lease including, without limitation, the Sublease Criteria; (d) if the use of Hazardous Substances is proposed, that such proposed use is either a permitted use of Hazardous Substances or a Hazardous Substance that is approved by the Port pursuant to Section 7.3; and (e) that all Required Submittals have been received as required in Section 9.4.1. Collectively, all of the foregoing criteria in this Section are "Review Criteria." The Port shall have the right to deny a sublease if any of the Review Criteria are not met. The Port may also conditionally approve a sublease so long as such conditions are consistent with the Review Criteria and are identified by the Port in the Port's Notice of Sublease Review (as defined in Section 9.4.4). For example, if the use of Hazardous Substances is proposed, the Port may require that one or more of the conditions set forth in Section 7.3 is met. If the Port either reasonably denies the sublease or conditionally approves the sublease and such conditions are not met, as provided in this Section, Lessee shall not be permitted to enter into the proposed sublease unless the sublease is otherwise modified, or such conditions are met, as specified in the Port's Notice of Sublease Review.

9.4.4 Port's Notice of Sublease Review

If the Approved Sublease Form is used, the Port shall have fifteen (15) Business Days (as defined in Section 17.4), and if the Special Sublease Form is used, the Port shall have twenty (20) Business Days, from the date the Port actually receives all of the Required Submittals, to respond to Lessee ("Port's Notice of Sublease Review"), subject to extension as provided below. The Port's Notice of Sublease Review, whether for an Approved Sublease Form or a Special Sublease Form, will state that the Port either: (a) approves the sublease; (b) requires additional information (with the Port specifying the additional information needed consistent with the scope of review authorized under Section 9.4.5; (c) requires additional review time under Section 9.4.5; (d) requires the use of outside consultants and/or attorneys under Section 9.4.5; (e) denies the sublease; or (f) conditionally approves the sublease. If the Port's notice includes any of items (b) through (f), the Port's notice will list reasons for such response, which reasons must be consistent with the scope of review authorized under Section 9.4.1. If the Port's notice includes item (f), the Port's notice will also state under what circumstances, if any, the Port is willing to assume the sublease upon a termination of this Lease. Subject to the provisions of Section 9.4.5, if the use of Hazardous Substances is proposed, the Port's Notice of Sublease Review will also state whether the proposed Hazardous Substance Use is approved, denied, or approved with specified conditions. Once a sublease has been approved by the Port pursuant to this Section and the sublease has been signed by Lessee and the respective Sublessee, Lessee shall deliver a copy of the fully executed sublease to the Port, at no cost to the Port.

9.4.5 Additional Information; Additional Review Time; Use of Consultants

The Port may reasonably request additional information, consistent with the scope of Port review provided under Section 9.4.3, additional review time, and the use of outside consultants, to assist in making the Port's determination on the acceptability of a proposed sublease. If the Port requests additional information, or the Hazardous Substances Use or other aspects of the sublease are complex, in the Port's reasonable opinion, the review period shall be extended by an additional ten (10) Business Days (as defined in Section 17.4) after the date the Port receives all of the requested additional information, which extension shall be in addition to the review times provided in Section 9.4.4 and any other extensions provided in this Section. If the Port, in its reasonable discretion, deems it necessary to hire outside consultants and/or attorneys to complete the sublease review process due to: (a) the complexity of the use; (b) the lack of sufficient information for evaluation of the proposed use (including, but not limited to proposed Hazardous Substances Use) provided by Lessee; (c) the use of the Special Sublease Form; or (d) the number of changes to the Approved Sublease Form, then Lessee shall bear one half ($\frac{1}{2}$) of the expense of any such consultants and/or costs of any outside attorneys and the time frame for review may be further extended to a time reasonably necessary to complete the review. The Port will notify Lessee in writing of referral to any outside consultants and/or attorneys and of an anticipated time for completion of this review.

9.4.6 Port Notice Following Extension of Sublease Review Period

If the Port fails to give Lessee the Port's Notice of Sublease Review within the time periods specified in Section 9.4.4, together with any extension of such time period authorized pursuant to Section 9.4.5, the sublease shall be deemed acceptable to the Port; provided, however, in no event shall the Port's failure to respond grant Lessee the right to use the Property for a Prohibited Use, defined below, nor shall failure to respond constitute an approval of any term that violates applicable laws and regulations including, without limitation, Environmental Law, or any term that

is inconsistent with this Lease. Such notice may be given by facsimile transmission in accordance with Section 17.29.

9.4.7 Port Review of Substantially Complete Subleases

Lessee may submit sublease(s) to the Port for Port review, as part of the Required Submittals, that are, in Lessee's reasonable opinion, substantially complete, but not yet final and ready for execution ("Substantially Complete Subleases"). The Port agrees that it will respond to such Substantially Complete Subleases according to the procedures and time frames set forth above, provided that Lessee must also submit to the Port, for Port approval, the final, fully negotiated copies of Subleases when they are ready for signature ("Final Subleases"), which copies shall clearly show any changes between the Substantially Complete Subleases and the Final Subleases. If, in the Port's reasonable opinion, there are substantial changes between the Substantially Complete Subleases and the Final Subleases ("Substantial Changes"), at the Port's option, Lessee shall pay a non-refundable "Supplemental Review Fee" (in addition to the Sublease Review Fee) and the Port shall have an additional ten (10) Business Days (as defined in Section 17.4) to review and comment on such Final Subleases. The Supplemental Review Fee shall be ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00). The Supplemental Review Fee shall be subject to increase every ten (10) years based on any increase in the CPI-U over the previous ten (10) year period. Upon written request of Lessee submitted with the Final Subleases, the Port agrees to notify Lessee within five (5) Business Days of receipt of the Final Subleases as to whether the Port considers there to be Substantial Changes. Such notice may be given by facsimile in accordance with Section 17.29. If upon such request the Port gives notice of its determination that there are no Substantial Changes between the Substantially Complete Sublease and the corresponding Final Sublease, or fails to give the requested notice within the time frames provided in Section 9.4, the Final Sublease shall be deemed approved by the Port.

9.5 Sublessee Defaults

A violation of any term or condition of this Lease by any Sublessee shall, after notice and opportunity to cure under Section 11.6, constitute an Event of Default (as defined in Section 11.1) under this Lease. Lessee shall be responsible to cure any such Default within the cure period allowed under Section 11.6. Lessee shall also be fully liable and responsible for any injury or damage caused to the Port as a result of any such Default, whether caused by Lessee or by any Sublessees.

9.6 Non Disturbance; Subleases; Security Deposits; Prepaid Rents, Records

In the event this Lease is terminated due to an uncured Event of Default (as defined in Section 11.1), and no permitted leasehold mortgagee, as described in Section 13, wishes to cure the Default and assume this Lease, then the Port shall allow all Sublessees who are not in Default to remain on the Property as tenants of the Port and shall not unreasonably disturb the rights of such Sublessees under their respective subleases subject to the provisions of Section 9.1, provided that such Sublessees and subleases, and any material amendments thereto, have been approved or deemed approved by the Port pursuant to Section 9.2. In addition, even if the Sublessees are entitled to remain on the Property and not be unreasonably disturbed, the Port shall not be responsible to such Sublessees for: (a) any prepaid rent unless paid over to the Port upon termination of this Lease and consisting solely of any first and last months' rent prepaid as allowed in Section 9.1(b) and clearly designated in writing as such rent by Lessee; (b) return of any security deposit collected by Lessee unless such security deposit has been paid over to the Port upon termination of this Lease and

is designated in writing by Lessee as a refundable security deposit under the sublease, and then only to the extent that such Sublessee is entitled to a full or partial refund of such security deposit under the sublease; (c) incomplete tenant Improvements, promised but never started, or promised future tenant improvement obligations or expenses, except as otherwise expressly agreed to by the Port in its sole discretion; (d) any sublease provisions that create any obligation on the part of the lessor under the sublease to: (i) make representations or warranties not included in the Approved Sublease Form; or (ii) indemnify Sublessee for matters beyond those identified in the Approved Sublease Form; or (e) any other obligations or expenses under such subleases that the Port has identified in the Port's Notice of Sublease Review that are not in compliance with the Review Criteria. In the event of such termination of this Lease, Lessee shall immediately provide the Port, at no cost to the Port, the following: (i) all signed sublease agreements and any amendments thereto between Lessee and the Sublessees; (ii) all security deposits paid by the Sublessees; all books and records of accounts, including all rent rolls; (iii) all Sublessee files and other Sublessee information; (iv) all building and maintenance records and other pertinent information in Lessee's possession pertaining to the Property and all Improvements located on the Property; and (v) all prepaid rents, including any portion of a monthly rent to which Lessee is not entitled based upon the actual termination date of this Lease. The Port shall not be liable for failure to return all or any part of any refundable security deposit to any Sublessee unless Lessee has turned the deposit over to the Port and Sublessee is entitled to a full or partial refund of the security deposit. All such Sublessees who wish to remain must agree to attorn to the Port as the landlord under the sublease for the balance of the term of the sublease and must pay the security deposit required under the sublease, unless it has already been paid over by Lessee to the Port pursuant to all requirements of this Section. The non-disturbance and attornment provisions of this Section shall be self-operative with no further instrument required to effectuate the attornment except that at the Port's or Sublessee's request, the Port and such Sublessee shall execute instruments reasonably satisfactory to them confirming the non-disturbance and attornment provisions of this Section.

9.7 No Assignment or Other Transfer Without Port Consent

This Lease is personal to Lessee. No part of the Property nor any Improvements on the Property, nor any interest in this Lease, may be sold, assigned, pledged, transferred, mortgaged, or subleased by Lessee, nor may a right of use of any portion of the Property be conveyed or conferred on any third party by Lessee by any other means (all of the foregoing sometimes referred to in this Lease as a "Transfer"), without the prior written consent of the Port, which consent shall not be unreasonably withheld, conditioned or delayed.

9.7.1 Application

Section 9 shall apply to all Transfers, including any that may occur by operation of law. If Lessee is a corporation or other entity, any change in ownership resulting in a change of more than forty percent (40%) of the equity or voting interest in the stock of the corporation or ownership interest in such other entity, through sale, exchange, merger, consolidation or other transfer, shall be deemed a Transfer requiring the Port's consent.

9.7.2 Fee for Review of Requests for Transfers

The Port reserves the right to charge a fee not to exceed TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00) for staff and legal time spent in the review of Lessee's requests for the Port's consent to a Transfer. This fee may be imposed by the Port whether or not consent is granted but in no case shall exceed the usual fees charged by the Port for the review of

requests for assignment for similar tenants of the Port. The Port shall have fifteen (15) Business Days (as defined in Section 17.4 to review documents, which time period will start after receipt of all requested materials.

9.8 Effect of Consent

No Transfer shall relieve Lessee of any obligation under this Lease and Lessee shall remain fully liable hereunder unless a specific written release is given by the Port, except as provided in Section 14.3. Any consent by the Port to a particular Transfer shall not constitute the Port's consent to any other or subsequent Transfer. If consent is granted, Lessee shall provide a copy of the signed Transfer document to the Port promptly after execution. The Transfer document shall contain a provision requiring that the transferee perform and observe all terms and conditions of this Lease and shall provide that the Port have the right to enforce such terms and conditions directly against such transferee.

9.9 Unpermitted Transfer Void

Any Transfer or attempted Transfer without the Port's prior written consent or as otherwise permitted herein shall be void. In addition to any other rights which the Port may have in the event of a Transfer or attempted Transfer without the Port's consent, the Port shall be entitled to preliminary and permanent injunctive relief and, as a matter of right, to the appointment of a receiver of rents and profits of any part or the whole of the Property without notice, with power to manage and operate the Property, and with such other powers as may be deemed necessary, and who, after deducting all proper charges and expenses attending the execution of the trust as receiver, shall apply the residue of the rents and profits to the obligations of Lessee under this Lease, including the costs of any reasonable attorney fees for the appointment of such receiver, in such order of priority as the Port shall elect.

9.10 Transfer by the Port

The Port shall have the right to transfer its interest in the Property or in this Lease. In the event of such a transfer, the Lessee shall attorn to said transferee and recognize transferee as the new landlord under this Lease. Thereafter, the Port shall be relieved, upon notification to Lessee of the name and address of the Port's successor, of any obligations accruing from and after the date of the transfer so long as the transferee agrees to assume all obligations of the Port under this Lease. Any such assignment by the Port shall specify that the quiet enjoyment of Lessee and its Sublessees, as provided in this Lease shall not be disturbed.

9.11 Estoppel Certificates

Each party ("Certifying Party") agrees to execute and deliver to the other ("Requesting Party"), at any time within ten (10) calendar days after written request, a statement certifying, among other things: (a) that this Lease is unmodified and is in full force and effect (or, if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) to the best of the Certifying Party's knowledge, whether or not the Requesting Party is in Default (as defined in Section 11.1) in performance of any of its obligations under this Lease and, if so, specifying the nature of each such Default; and (d) to the best of the Certifying Party's knowledge, whether or not any event has occurred which, with the giving of notice, the passage of time, or both, would constitute a Default by the Requesting Party and, if so, specifying the nature of each such event (referred to herein as an "Estoppel Certificate"). The parties agree that any statement delivered pursuant to this Section may be relied upon by the Requesting Party and by potential or actual

purchasers and/or lenders with whom the parties may be dealing (including a permitted mortgagee), regardless of independent investigation. If Lessee and Lessee's Sublessees use the Estoppel Certificate in the form attached hereto as **Exhibit I**, without any revisions, there shall be no fee charged for processing such certificates. If the Requesting Party requests any change to this form, the Certifying Party may charge a fee for processing such requests, whether or not such changes are ultimately agreed to. The current fee is ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00) to be paid in advance upon receipt of a written request from the Requesting Party for such certificate. This fee is subject to adjustment every ten (10) years of the term of this Lease and any extension of the term of this Lease based on the increase in the CPI-U.

10. DAMAGE AND DESTRUCTION

Lessee shall promptly notify the Port of damage or destruction to any Improvements located on the Property ("Casualty"), unless such Casualty results in damage in aggregate of less than FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00), ("Casualty Floor Amount") in which case such damage need not be reported, but must be promptly repaired, replaced or removed. The Port reserves the right to make proof of loss to the insurance carrier in the event Lessee fails to do so within thirty (30) calendar days of any Casualty. The Casualty Floor Amount shall be subject to increase every five (5) years of this Lease based on the same percentage increase, if any, in the amount of property taxes applicable to the Property pursuant to Section 3.8.

10.1 Restoration

Except as provided in Section 10.2, in the event of any Casualty, Lessee shall (subject to Force Majeure (as defined in Section 17.12) events and reasonable time allowances for the purpose of adjusting insurance proceeds and obtaining any required permits, approvals or consents), elect to, in its sole discretion, either to promptly commence and diligently pursue restoration, replacement and/or removal of the damaged Improvements and damage to the Property. If Lessee elects to remove, but not replace, damaged Improvements, pursuant to Section 10.2, Lessee must promptly restore the remaining Property to a good, clean and usable condition. If Lessee intends not to operate on the Property for any period of time following a Casualty, Lessee must take appropriate measures to secure the Property during any period of such nonuse and to prevent unauthorized parking or other unauthorized uses on the Property.

10.2 Termination of Lease Following Casualty; Right to Terminate

In lieu of repairing, restoring, replacing or removing damaged Improvements or damage to the Property and allowing this Lease to continue, Lessee may elect to terminate this Lease, by written notice to the Port given within ninety (90) calendar days after the date of the Casualty, provided that prior to such termination Lessee must first remove and properly dispose of damaged Improvements and other Improvements as provided in Section 10.1; restore the Property by thoroughly removing all debris and surface Improvements; regrade the Property to a rough grade condition and plant with grass or other ground cover reasonably acceptable to the Port; remove all foundations, vaults, tanks and other underground Improvements; remove all utilities unless otherwise agreed to by Port; and remediate any environmental damage for which Lessee is responsible under this Lease in accordance with the standard provided in Section 10.1, and otherwise meet with all termination requirements under this Lease. All removal and restoration provided in this Section and all other termination obligations under this Lease shall be completed no later than sixty (60) calendar days from the termination date set forth in Lessee's written termination notice to the Port of Lessee's election to terminate, provided that all such removal, restoration and termination obligations shall be

completed by the earlier of: (a) one hundred and twenty (120) calendar days after the date of the Casualty; or (b) the Expiration Date. Notwithstanding the foregoing, if Lessee reasonably requires additional time to perform the requirements of the preceding sentence, Lessee shall notify the Port and, provided that Lessee has been diligently pursuing the restoration following the date of Casualty and can demonstrate that such additional time is reasonably required, such date shall be extended by a time period determined by the Port in its reasonable discretion, but in no event shall such termination date as extended exceed the earlier of: (i) one hundred eighty (180) calendar days after the date of the Casualty; or (ii) the Expiration Date. If Lessee does not elect to terminate under the provisions of this Section, Lessee shall be obligated to either rebuild the Improvements or remove the Improvements and restore the Property as provided in this Lease. In such event, the Port will agree to turn over the insurance proceeds to complete any such restoration, provided that Lessee agrees to safeguards reasonably required by the Port to assure that the Work is completed in a timely fashion and according to plans approved by the Port.

10.3 Effect of Election to Terminate

In the event that Lessee elects to terminate under Section 10.3, this Lease shall terminate as soon as Lessee has removed all liens and encumbrances affecting the Property (other than those created by the Port and/or identified in the Preliminary Title Report), completed the Exit Audit requirements set forth in Section 7.9.3, and has satisfied all obligations arising upon expiration or termination of this Lease including, but not limited to, the obligations set forth in this Section and in Section 12.1. In the event of such termination, the Port shall not be required to reimburse Lessee for any prepaid Basic Rent or Taxes and Lessee shall be responsible for payment of all Taxes through the end of the then current tax year, unless payment of such Taxes is waived or excused by Multnomah County, Oregon.

10.4 No Election to Terminate

If Lessee does not give the Port notice of an election to terminate this Lease under this Section within the required time period, Lessee will be conclusively deemed to have elected to promptly restore, replace, or remove damaged or destroyed Improvements and clean up the damaged Property, and this Lease will continue without change. No rebuilding will be required in order for this Lease to continue if Lessee elects not to rebuild, but otherwise restores Parcel 1.

10.5 Funds to Restore; Restoration Standards

If Lessee elects to restore or replace the damaged Property, insurance proceeds shall be used by Lessee to promptly restore the damaged Property. All costs and expenses of restoration of the Property shall be paid by Lessee, whether or not the insurance proceeds are sufficient to accomplish such restoration. The restored or replaced Property shall be in conformance with the requirements of the Development Standards in effect at the time of the damage. Any restoration, rebuilding, repair and cleanup shall be at Lessee's expense and shall comply with all provisions of this Lease.

10.6 Allocation of Insurance Proceeds Upon Early Termination or Upon Failure to Rebuild

If Lessee elects to terminate this Lease early and not rebuild the Property, or if Lessee elects to continue this Lease but not to replace some or all of the damaged or destroyed Improvements, then all insurance proceeds shall be made payable to the Port and Lessee and shall first be used to clean up the Property and remove the damaged or destroyed Improvements that will not be replaced and to restore the Property. Once this restoration and cleanup has been accomplished, the balance of

the insurance proceeds will be paid to Lessee. To the extent that insurance proceeds are insufficient to fully clean and restore the Property, as required by this Lease, Lessee shall pay the difference.

10.7 No Proration or Abatement of Rent

In the case of destruction or damage, there shall be no prorated, abated, reduced, or refunded Rent of any nature.

11. DEFAULT

11.1 Event of Default

The occurrence of any of the following shall constitute an "Event of Default" (also referred to as a "Default").

11.1.1 Default in Rent

If Lessee fails to pay any Rent or other amounts within ten (10) Business Days (as defined in Section 17.4) of when due, the Port shall provide Lessee notice of such failure. In the event Lessee fails to pay any Rent within five (5) Business Days following such notice, an Event of Default shall occur.

11.1.2 Default in Other Covenants

An Event of Default shall occur if Lessee fails to comply with any term, covenant or condition of this Lease (other than the payment of Rent or other amounts) within thirty (30) calendar days after written notice to Lessee by the Port describing the nature of the Default. If the Default is of such a nature that it cannot be completely remedied within the thirty (30) calendar days period, this provision shall be complied with if Lessee begins correction of the Default within the thirty (30) calendar days period and thereafter proceeds in good faith and with reasonable diligence to effect the cure as soon as practical, so long as done to the satisfaction of the Port. Notwithstanding the foregoing, the Port need not give notice for a similar type of material non-monetary Default more than two (2) times during any twelve (12) consecutive months of this Lease, and a failure to perform such type of obligation after the second (2nd) notice constitutes an Event of Default for which no further notice or opportunity to cure need be given. Furthermore, if any Event of Default threatens to cause serious harm to the Port or other tenants or persons, then the Port shall not be required to serve any notice before proceeding to request immediate injunctive relief.

11.1.3 Insolvency

To the extent permitted by the United States Bankruptcy Code, insolvency of Lessee shall be deemed to include: (a) an assignment by Lessee for the benefit of creditors; (b) the filing by Lessee of a voluntary petition in bankruptcy; (c) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee and the receiver is not discharged within sixty (60) calendar days; (d) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within sixty (60) calendar days after filing; and (e) attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within thirty (30) calendar days. All of the above (a) through (e) shall all constitute an Event of Default. In these instances, no notice that an Event of Default has occurred shall be required from the Port.

11.1.4 Material Misrepresentation

An Event of Default for which no notice or opportunity to cure need be given may be declared, at the Port's option, if the Port discovers that Lessee made a material misrepresentation to the Port which induced the Port to enter into this Lease.

11.2 Remedies on Default

Immediately following an uncured Event of Default, the Port may exercise any or all of the following remedies, in addition to any other rights and remedies provided in this Lease.

11.2.1 Re Entry

Upon expiration or earlier termination of this Lease, including termination caused by an Event of Default, the Port may re-enter the Property, or any part thereof, by suitable action or proceeding at law, or by force or otherwise, without being liable for indictment, prosecution or damages therefore, and may repossess the Property and remove any person or property therefrom, to the end that the Port may have, hold and enjoy the Property.

11.2.2 Reletting

The Port, at its option, may relet the whole or any part of the Property from time to time, either in the name of the Port or otherwise, to such tenants, at such rental rate, and upon such conditions (including concessions and free rent periods) as the Port, in its sole discretion, may determine to be appropriate. To the extent allowed under Oregon law, the Port shall not be liable for refusal to relet the Property or, in the event of any such reletting, for failure to collect any Rent due upon such reletting; and no such failure shall operate to relieve Lessee of any liability under this Lease or otherwise affect any such liability. The Port may make such physical changes to the Property as the Port, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Lease or otherwise affecting Lessee's liability. If there is other unleased space in PIC, the Port shall have no obligation to attempt to relet the Property prior to leasing such other space in PIC. The Port, under its obligations to mitigate its damages, shall not be required to attempt to relet the Property to a potential lessee with which the Port has been negotiating a lease for other space owned by the Port or to whom the Port has shown other space owned by the Port and the Port shall be entitled to use its best efforts to lease such other Port space to such prospective tenant.

11.2.3 Rent Recovery

Whether or not the Port retakes possession or relets the Property, the Port shall have the right to recover unpaid Additional Rent, if any and all damages caused by the Default. Damages shall include, without limitation: (a) all Additional Rent lost; (b) all legal expenses and other related costs incurred by the Port as a result of Default; (c) that portion of any leasing commission paid by the Port as a result of this Lease which can be attributed to the unexpired portion of this Lease; (d) all reasonable costs incurred by the Port in restoring the Property to good order and condition, or in remodeling, renovating or otherwise preparing the Property for reletting; and (e) all reasonable costs incurred by the Port in reletting the Property including, without limitation, any brokerage commissions and the value of the Port's staff time expended as a result of the Default.

11.2.4 Right to Sue More than Once

The Port may sue periodically to recover damages during the period corresponding to the remainder of the term of this Lease, and no action for damages shall bar a later action for damages subsequently accruing.

11.3 Right to Draw on Security Deposit

In case of an Event of Default, the Port may draw upon the Security Deposit immediately. In the event of a bankruptcy or insolvency, the Port may draw upon the Security Deposit immediately, as provided in Section 3.7, to cure any and all Lease violations, whether or not any cure period has elapsed and whether or not all required notices have been given. In the case of failure to pay Rent or Additional Rent that may be remedied, or partially remedied, by the payment of money, the Port shall be entitled to draw on the Security Deposit without notice at any time after the Rent or Additional Rent is past due.

11.4 Remedies Cumulative and Nonexclusive

Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease or existing at law or in equity including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by the Port of any such rights or remedies will not preclude the simultaneous or later exercise by the Port of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.5 Lease Continuation

Even though Lessee has breached this Lease, this Lease shall continue for so long as the Port does not terminate Lessee's right to possession, and the Port may enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Property or the appointment of a receiver upon initiative of the Port to protect the Port's interest under this Lease shall not constitute a termination of Lessee's rights to possession unless written notice of termination is given by the Port to Lessee. Any notice to terminate may be given before or within the cure period for Default and may be included in a notice of failure of compliance. No such termination shall prejudice the Port's right to claims for damages for such breach or any other rights and remedies of the Port.

11.6 Curing Lessee's Default

If Lessee is in Default of Lessee's obligations under this Lease beyond the applicable notice and cure period, the Port, without waiving rights with respect to such failure, may (but shall not be obligated to) perform the same for the account of and at the expense of Lessee, with whatever notice is reasonably possible, if any, in a case of emergency, and in any other cases, only if such failure continues after the expiration of thirty (30) calendar days from the date the Port gives Lessee notice of the failure. The Port shall not be liable to Lessee for any claim for damages resulting from such action by the Port unless due to the gross negligence or willful misconduct of the Port or its agents, employees or contractors. Lessee agrees to reimburse the Port within thirty (30) calendar days written notice for any reasonable amounts the Port may spend in complying with the terms of this Lease on behalf of Lessee. The Port shall have the same rights and remedies in the event of the nonpayment of amounts due to be reimbursed under this Section as in the case of Default by Lessee in the payment of any other Rent.

11.7 Port Default in Any Lease Provision

A "Port Default" shall occur if the Port violates any term, covenant or condition of this Lease and such violation is not cured within thirty (30) calendar days after written notice by Lessee to the Port describing in reasonable detail the nature of the violation. If the violation is of such a nature that it cannot be completely cured within the thirty (30) calendar day period, this provision shall be complied with if the Port begins correction of the violation within such thirty (30) calendar day period and, thereafter, proceeds in good faith and with all due diligence to effect the cure as soon as practical. If any Port violation of this Lease threatens to cause serious harm to Lessee or other tenants or persons or Lessee's Improvements or personal property, then Lessee shall not be required to serve any notice before proceeding to request immediate equitable relief including, but not limited to, injunctive relief or specific performance.

11.7.1 Remedies for Port Default

Immediately upon the occurrence of a Port Default, Lessee may, at its option, exercise any of the following rights and remedies, in addition to any other rights and remedies provided elsewhere in this Lease or otherwise at law or in equity: (a) Lessee may terminate this Lease; or (b) whether or not Lessee terminates this Lease, Lessee shall have the right to recover damages.

11.7.2 Lessee's Right to Sue More than Once

Lessee may sue periodically to recover damages and no action for damages shall bar a later action for damages subsequently accruing.

11.8 No Waiver of Port Default

No failure by Lessee to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by the Port, and no breach by the Port, shall be waived, altered, or modified except by a written instrument executed by Lessee. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

11.9 Lessee's Remedies Cumulative and Nonexclusive

Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Lessee of any such rights or remedies will not preclude the simultaneous or later exercise by Lessee of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.10 Curing Port Default

If the Port fails to perform any of the Port's obligations under this Lease, Lessee, without waiving such failure, may (but shall not be obligated to) perform any such obligation that can be performed on the Property for the account of and at the expense of the Port only if such failure to begin the cure or to diligently pursue such cure continues after the expiration of thirty (30) calendar days from the date Lessee gives the Port notice of the failure. Lessee shall not be liable to the Port for any claim for damages resulting from such action by Lessee other than due to Lessee's, or any of

its employees, agents or contractor's gross negligence or willful misconduct. The Port agrees to reimburse Lessee, promptly upon demand, any reasonable amounts that Lessee spends in curing the Port Default. Any amounts to be so reimbursed shall bear interest at the Delinquency Rate.

12. TERMINATION

12.1 Duties on Termination

Upon the expiration or earlier termination of this Lease, Lessee must have fully performed all of its obligations under this Lease including: (a) removal of all personal property; and (b) performance of any other obligations required to be performed pursuant to this Lease prior to expiration or termination under this Lease.

12.2 Title to Improvements

Upon the expiration or earlier termination of this Lease, any Lessee's Improvements built, erected or installed by Lessee after the Effective Date shall become the property of the Port. Notwithstanding the foregoing, the Port reserves the right to require Lessee to remove any Lessee's Improvements from the Property upon the expiration or earlier termination of this Lease, provided Lessee provides adequate notice of its intent, and such Lessee's Improvements shall be removed in accordance with Section 5.7. If requested by the Port, Lessee shall execute a bill of sale in such form as reasonably required by the Port to quitclaim Lessee's interest in such Improvements to the Port.

12.3 Holding Over

If Lessee holds over after the expiration or earlier termination of this Lease with the consent of the Port, and the Port and Lessee have not agreed, in writing, to the terms and provisions of a new lease (or extension of the term of this Lease) prior to such expiration or earlier termination, Lessee shall be deemed a month to month holdover tenant ("Holdover Tenant") or a tenant at sufferance ("Tenant at Sufferance"), at the Port's sole discretion, and Lessee shall remain bound by all terms, covenants, and agreements hereof, except that: (a) the tenancy shall be from month to month; (b) Rent shall be due in monthly installments so long as Lessee remains in hold over in an amount equal to one hundred fifty percent (150%) of the then current ground lease rates for like properties in the vicinity; (c) title to the Improvements shall vest in the Port as of the expiration or earlier termination of this Lease; (d) the Port shall have the right to adjust any Rent payments or any other amounts due upon thirty (30) calendar days written notice to Lessee; and (e) such month to month tenancy may be terminated at any time by thirty (30) calendar days prior written notice from either party to the other. In the event that Lessee is a Holdover Tenant or a Tenant at Sufferance beyond June 30 of any year, Lessee shall be responsible for payment of property taxes for the entire following tax year without proration. In the event the Port deems Lessee as a Tenant at Sufferance, the Port shall be entitled to evict Lessee but the Port may still collect Rent and any other amounts due by Lessee as set forth herein.

13. LEASEHOLD FINANCING

13.1 Right to Grant Security Interest

Lessee is hereby given the right to grant security interests in, or otherwise encumber, Lessee's leasehold estate, Lessee's Improvements and/or personal property subject to the terms of this Lease. The grant of any such security interest or encumbrance may be accomplished by means of a security agreement, or instrument evidenced by the filing of a Uniform Commercial Code

financing statement, or a recorded deed of trust or like financing security instrument. It is agreed that Lessee has the right to encumber its interests to more than one lender at the same time, or at different times. In no event, however, shall Lessee's leasehold estate or the Improvements be subject to any loan, security interest or encumbrance for any term which extends beyond the Expiration Date. Such security interest and encumbrance shall be subject to all of the terms and conditions of this Lease and to the rights and interests of the Port. The Port is not subordinating its interest in the Property to any security interest or encumbrance authorized hereby. Lessee shall promptly give the Port a written notice of the granting of any security interest or encumbrance as described in this Section and a copy of the filed or recorded documents creating the security interest or encumbrance. If the Port is required to review or sign any document related to any financing on behalf of, or for the benefit of, Lessee, then Lessee shall pay the Port's reasonable fees, including reasonable attorney fees, for reviewing such documents.

13.2 Rights of Identified Lenders

Lessee shall provide the Port with written notice of the identity of any lender, together with the name and address of the lender and a copy of the security instrument entered into with the lender. Once this information has been received by the Port such lender shall be considered to be an "Identified Lender" entitled to the rights and protections of an Identified Lender, as set forth in this Section, and the Identified Lender's interest in this Lease shall be an "Identified Lender's Interest." After receipt of this information, as long as such security interest shall remain unsatisfied of record, or until written notice of satisfaction is given by the holder thereof to the Port, and as long as the Identified Lender has an office which is located in the United States designated to accept service of any notice or other service of process and Lessee or the Identified Lender has given the Port written notice of the Identified Lender's office address, the following provisions shall apply.

13.2.1 No Termination

Except as caused by operation of law, or arises from the occurrence of an Event of Default, there shall otherwise be no cancellation, termination, or surrender of this Lease by Lessee, or acceptance of such cancellation, termination, or surrender by the Port without, in each case, the prior consent, in writing, of the Identified Lender. In the event of a termination due to an Event of Default or operation of law, then the Identified Lender shall retain its rights to assume this Lease or enter into a new Lease with the Port, if the Identified Lender meets all of the requirements for assumption of this Lease or for a new lease, as provided in Section 14.1.

13.2.2 Notice to Permitted Identified Lender

The Port upon serving Lessee with any notice of: (a) a violation of this Lease or an Event of Default under this Lease; or (b) the termination of this Lease, shall also serve a copy of such notice upon each Identified Lender. Although the Port shall have no liability for failure to give any notice described above to an Identified Lender, no such notice to Lessee shall be deemed effectively given until written notice has also been given to each Identified Lender to the last address for notices given to the Port by Lessee, or if in lieu thereof or subsequent thereto, by such Identified Lender. The Identified Lender shall submit any change of address to the Port in the manner prescribed for giving notices found at Section 17.29.

13.2.3 Right to Cure

Upon the occurrence of any violation of this Lease for which the Port wishes to declare an Event of Default, if notice of such Event of Default and a right to cure is required to be

given, each Identified Lender shall have the right to cure, or cause to be cured, the violation or Event of Default, and the Port shall accept such performance by such Identified Lender as if the same had been done by Lessee. Each notice of an Event of Default given by the Port shall specify the nature of the violation and, if such violation relates to the payment of money, shall state the amounts claimed to be past due. Nothing herein shall require any Identified Lender to cure any Event of Default. No such cure shall constitute an assumption of any liability by such Identified Lender (unless the Identified Lender assumes this Lease or enters into a new lease with the Port), nor prejudice the right of such Identified Lender and/or Lessee to later contest or continue to contest the validity of the claim of the Event of Default. The Identified Lender shall have the same period of time given to Lessee to cure or commence cure of any violation, as set forth in Section 11, plus an additional ninety (90) calendar days, provided, however that if such Event of Default can only be remedied by the Identified Lender upon obtaining possession or access to the Property, then the time period will be measured from the date that the Identified Lender is able to obtain possession of the Property, using commercially reasonable due diligence and good faith efforts as are required to obtain such possession. Notwithstanding the foregoing, in the case of a Hazardous Substance Release which, in the Port's reasonable judgment, requires immediate action due to the imminent risk of material harm to public safety and the environment then the Identified Lender will be so notified, and if the Identified Lender fails to take immediate appropriate action, the Port may take such action as it deems appropriate, subject to reimbursement by the Identified Lender, pursuant to Section 13.2.4. Except for the additional time to cure referenced above, an Identified Lender shall have no greater rights to cure than those afforded to Lessee under Section 11. In the event this Lease is terminated and the Identified Lender has not assumed this Lease prior to termination, then as long as the Identified Lender, or the Identified Lender's assignee pursuant to Section 13.2.10, cures all Events of Default (except those referenced in Section 13.2.5) and enters into a new lease, in accordance with Section 13.2.4, the provisions of Section 11 shall survive termination of this Lease.

13.2.4 New Lease

In the event of termination of this Lease due to an Event of Default or operation of law or ordinance (including, without limitation, any bankruptcy proceeding), the Port will give notice thereof to the Identified Lender and will, at the request of the Identified Lender, allow the Identified Lender to assume this Lease or shall enter into a new lease with the Identified Lender, on the same terms and provisions contained herein for the remainder of the term of this Lease, provided that effective as of the date of termination of Lessee's rights under this Lease, such new lease will only be granted to the Identified Lender if all of the following conditions are first met by the Identified Lender: (a) the Identified Lender shall make a written request to the Port to assume this Lease or to enter into a new lease within thirty (30) calendar days after receipt of such notice of termination from the Port as described in Section 13.2.4. The date of termination will be set forth in the notice of termination which will be given by the Port to the Identified Lender at least thirty (30) calendar days in advance of the termination date. Such written request must be accompanied by payment to the Port of all amounts then due to the Port under this Lease, which amounts due shall also be specified with particularity in the notice of termination; (b) the Identified Lender shall also reimburse the Port for any out of pocket expenses, including reasonable attorney fees and costs, which the Port shall have incurred by reason of Default in accordance with this Lease, which amounts shall also be specified with particularity in the notice of termination; (c) the Identified Lender shall promptly cure all Defaults under this Lease (other than status defaults described in Section 11.1.3) or if a Default is of such a nature that it cannot be completely cured within the cure period specified in Section 13.2.3, shall begin correction of the Default within such cure period and,

thereafter, proceed in good faith and with due diligence to effect the cure as soon as reasonably practical.

13.2.5 Additional Rights of Identified Lender

Nothing herein contained shall require the Identified Lender to cure an Event of Default which occurred solely by virtue of Lessee's dissolution, Insolvency (as defined in Section 11.1.3) or filing for bankruptcy; provided, however, that as a condition of assumption of this Lease or entry into a new lease, the Identified Lender must first compensate the Port for all out of pocket losses, damages, expenses, and costs incurred by the Port as a result of Lessee's bankruptcy filing, and must otherwise comply with Section 13. An Identified Lender shall have the right to intervene in any mediation, arbitration, or litigation between the Port and Lessee that potentially affects the Identified Lender's rights or the value of the security held by the Identified Lender.

13.2.6 Limitation on Liability

No liability for payment or performance of any of Lessee's obligations shall attach to, or be imposed upon, any Identified Lender who does not assume this Lease or enter into a new lease with the Port.

13.2.7 Rights of Identified Lender Upon Assumption of this Lease

Upon assumption of this Lease or entry into a new lease, after the Identified Lender has cured or commenced cure of all Defaults and reimbursed the Port for all of its reasonable out of pocket costs and expenses, as specified in Section 13.2.4, the Identified Lender shall have all of the rights and obligations of a third party Lessee under this Lease.

13.2.8 Identified Lender's Estoppel Certificate Request

The Port, within thirty (30) calendar days after request, in writing, by Lessee or any Identified Lender, shall furnish a written statement, duly acknowledged, stating that this Lease is in full force and effect and unamended, or if there are any amendments, specifying the same; that there are no violations or Events of Default under this Lease by Lessee that are known to the Port, or if there are any known violations or Events of Default, specifying the same. The Port will charge a fee for this service in the amount set forth in **Section 9.11**.

13.2.9 Right to Contest Payments to Port

If the Identified Lender makes any payment to the Port pursuant to the Port's wrongful, improper, or mistaken notice or demand, it shall be entitled to the return of any such payment, or portion thereof provided it shall have made demand therefor not later than one hundred twenty (120) calendar days after the date of its payment.

13.2.10 Foreclosure or Transfer in Lieu of Foreclosure

No consent of the Port shall be required for the transfer of Lessee's interest in this Lease to an Identified Lender resulting from the foreclosure of an Identified Lender's Interest or a negotiated transfer to an Identified Lender in lieu of foreclosure or to a transfer to any third party resulting from a foreclosure of an Identified Lender's Interest, or a negotiated transfer by an Identified Lender in lieu of foreclosure. Upon the assignment and assumption of the Lessee's interest by an Identified Lender or third party, such Identified Lender or third party, as applicable, shall have all of the rights and obligations of a third party Lessee under this Lease. Should any Identified Lender acquire the Lessee's interest as described in this Section and thereby become a

third party Lessee, any subsequent Transfer by the Identified Lender (in its capacity as a third party Lessee) to a third party Transferee shall require the Identified Lender to go through the process for Transfer set forth in Section 12; however, the Port shall not unreasonably withhold, condition, or delay its consent to such Transfer.

13.2.10.1 Modification to Leasehold Financing Provisions

If requested by the Identified Lender, the Port and Lessee shall work in good faith to make requested modifications to Section 13, so long as such modifications do not materially increase the obligations of or duties of the Port under this Lease.

14. ASSIGNMENT, SUBLEASE

14.1 Criteria for Assignment or for Sublease of Entire Property to One Sublessee for Entire Remaining Term

The Port will not approve any assignment or any sublease of the entire Property to one Sublessee for the entire remaining term of this Lease until Lessee completes construction of the Improvements on Parcel 1 in accordance with the accepted plans as provided in Section 5.1. Subject to this Section, no assignment shall release Lessee from its obligations under this Lease unless the Port otherwise agrees, in writing, in its reasonable discretion. An assignment of this Lease, or the subleasing of the entire Property to one Sublessee for the entire remaining term of this Lease, will only be permitted to an assignee or Sublessee approved, in writing, by the Port, in its reasonable discretion, based upon the following criteria: (a) financial strength taking into consideration the prepaid ground lease status, provided that the financial strength of a proposed assignee or Sublessee shall not be deemed unacceptable solely by virtue of the fact that such party intends to place secured indebtedness against the Property in an amount not to exceed eighty percent (80%) of its then fair market value, as determined by the lender providing the loan; (b) business experience and expertise in operating and managing an industrial warehouse and distribution complex similar to that on the Property; (c) sound business reputation and no evidence of environmental management policies and practices which are likely to create an unreasonable risk of environmental liability; (d) proposed financial security taking into account the prepaid ground lease status; and (e) other reasonable factors relevant to the ability of the proposed assignee or Sublessee to perform all of Lessee's obligations and liabilities of this Lease from and after the date of the assignment or sublease. At the time of the assignment of this Lease or the sublease of the entire Property to one Sublessee for the entire remaining term of this Lease, the Port may require, increases or modifications in insurance requirements and/or guarantees or other financial assurances, provided that, such increases and modifications are in amounts and on terms reasonably determined by the Port to be commensurate with an increased risk associated with the proposed assignee or Sublessee (and further provided that the proposed assignee or Sublessee shall not be deemed an increased risk solely by virtue of the fact that such party intends to place secured indebtedness against the Property in an amount not to exceed eighty percent (80%) of its then fair market value, as determined by the lender providing the loan). No assignment or sublease of the entire Property to one Sublessee for the entire remaining term of this Lease shall be approved if Lessee is then in Default of this Lease or anything has occurred that, with the passage of time, would become an Event of Default (including, but not limited to, payment of Taxes, removal of all liens and payment of any penalties or fines imposed for violation of Environmental Law). Lessee shall pay, at the time of the request, a fee in the amount of FIVE THOUSAND DOLLARS AND NO CENTS (\$5,000.00) ("Assignment Fee"). In the case of a sublease of the entire Property to one Sublessee for the entire remaining term of this Lease, Lessee

shall pay the Port a "Sublease Transfer Fee" in addition to the Sublease Review Fee in the amount of ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00). The Assignment Fee and the Sublease Transfer Fee each shall be subject to increase every five (5) years of this Lease based on any increase in the CPI-U over the previous five (5) year period. No assignment shall be permitted until development of the entire Property has been substantially complete in accordance with the accepted plans pursuant to Section 5.

14.2 Procedure

If Lessee desires at any time to assign this Lease, or to sublease the entire Property to one Sublessee for the entire remaining term of this Lease, Lessee shall first notify the Port at least sixty (60) calendar days prior to the proposed assignment or sublease, in writing, of Lessee's desire to do so and shall submit the following written information to the Port: (a) the name of the proposed assignee or Sublessee; (b) the nature of the proposed assignee's or Sublessee's business to be carried on in the Property; (c) the terms and conditions of the proposed assignment or sublease; (d) a description of assignee's or Sublessee's property management and development experience and a list of assignee's or Sublessee's real estate projects; (e) audited financial statements (or, if audited financial statements are not available, financial statements certified by the chief financial officer of the proposed assignee) for the three (3) most recently completed fiscal years of the proposed assignee or Sublessee and a bank reference; and (f) the Assignment Fee, or the Sublease Transfer Fee and Sublease Fee, as applicable. Thereafter, Lessee shall furnish such supplemental information as the Port may reasonably request concerning the proposed assignee or Sublessee. In the case of a proposed sublease of the entire Property to one Sublessee for the entire remaining term of this Lease, Lessee shall also meet all requirements for approval of a sublease pursuant to Section 9, and the Port will respond to Lessee's request within the timelines and as provided in Section 9.4, provided that Lessee meets all the environmental obligations under Section 9 and Section 7.9.3. With respect to a proposed assignment, at any time within fifteen (15) Business Days (as defined in Section 17.4) after the Port receives all of the above specified information, the Port may, by written notice to Lessee, elect to either disapprove the assignment or to conditionally consent to the assignment, provided that no conditional consent shall be effective until Lessee has performed all environmental audit and remediation obligations in connection with the proposed assignment as required pursuant to Section 9 and Section 7.13 and paid any Environmental Costs for which Lessee is responsible under this Lease. Additionally, if the Port Commission approval is required for the assignment (in compliance with the Port's written policies), the time period for such approval will be forty five (45) calendar days from the later of: (i) receipt of all required information; or (ii) Lessee's completion of the above referenced environmental audit, remediation and Environmental Costs obligations. If the Port consents to an assignment pursuant to this Section, Lessee may thereafter enter into and perform under the assignment with the changes, if any, mandated by the Port under the third sentence of Section 14.1. If the Port consents to a sublease of the entire Property to one Sublessee for the entire remaining term of this Lease pursuant to Section 14.1 and this Section, Lessee may thereafter enter into the sublease upon the terms and conditions and as of the effective date set forth in the Port's consent pursuant to Section 14.1, and with the changes, if any, mandated by the Port under the fourth sentence of Section 14.1.

14.3 Release Upon Assignment

With respect to a proposed assignment, if Lessee's proposed assignee is acceptable to the Port, pursuant to the criteria and procedures set forth in Section 14.2, then the assignee shall be responsible for all obligations and liabilities under this Lease accruing or arising from and after the

date of the assignment and Lessee may request to be released and shall be released (subject to required Port Commission approval taking into account prepaid ground lease status) from any and all liabilities and obligations under this Lease accruing or arising from and after the date of the assignment provided all of the following conditions are fully met by Lessee: (a) Lessee is not in Default and there is no uncured Event of Default by Lessee at the time of the assignment; (b) Lessee has paid, in full, all monetary obligations of Lessee under this Lease including, but not limited to, the payment in full of all Taxes assessed against the Property as of the date of assignment; (c) Lessee delivers a title report issued as of the date of assignment showing that the Property is free of all liens and encumbrances caused by or relating to Lessee or any Sublessees (provided that the permitted leasehold mortgages and the subleases themselves shall not be considered liens or encumbrances for the purposes of this Section); (d) Lessee provides evidence of extended reporting endorsement(s) for any claims made insurance policies, as required by Section 8.3.5, subject to adjustment pursuant to Section 8.5 and Section 8.6; (e) the assignee has agreed, in writing, to assume all liabilities and obligations under this Lease accruing from and after the date of the assignment; (f) Lessee shall have complied with the requirements of Section 7.9.3 and Section 14.2; (g) Lessee has fully met all of the conditions for the Exit Audit and has completed all Hazardous Substances remediation required to be performed by Lessee under Section 7.13.2; and (h) in the event the Port has a reasonable basis to require such additional security arising out of potential material increased risk to the Port arising out of Lessee's assignment of its interest in this Lease, Lessee has provided the Port with a letter of credit securing Lessee's liabilities and obligations under this Lease which accrued or arose prior to the date of such assignment, which letter of credit shall automatically expire and terminate on the second (2nd) anniversary of the assignment and shall be in an amount equal to the greater of: (i) FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00) (which amount shall be increased at the beginning of each Lease year by any increase in the CPI-U over the previous year); or (ii) one hundred twenty five percent (125%) of the then Security Deposit held by the Port. In addition, even if the Exit Audit, including the results of any soil and ground water testing performed pursuant to Section 7.9.3 and Section 7.9.4, does not indicate the presence of a recognized environmental condition, the Port shall have the right to conduct (or require Lessee to conduct) additional soil and ground water testing and analysis of such testing ("Additional Testing") and Lessee shall be required to pay fifty percent (50%), but no more than TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00) (which amount shall be increased at the beginning of each Lease year by any increase in the CPI-U over the previous year), toward such Additional Testing ("Audit Contribution"), provided that such Additional Testing will not commence until the Port has approved the assignee pursuant to the criteria set forth in Section 14.1, and reasonable time shall be provided to complete such Additional Testing without having to use expedited lab processing procedures. Lessee shall reimburse the Port for such Audit Contribution within thirty (30) calendar days of receipt of invoice. If a requested assignment fails to occur following the Port's approval of the assignee under Section 14.1, Lessee shall reimburse the Port for the total cost of the Additional Testing. Such costs shall be reimbursed within thirty (30) calendar days of receipt of invoice. Nothing in this Section shall be construed to release Lessee from liabilities and obligations under this Lease which first accrued or arose prior to the date of any assignment whether or not the Port shall have asserted claims against Lessee based on such liabilities or obligations and Lessee acknowledges that this liability remains. In no event shall Lessee be released from any of its liabilities or obligations under this Lease for any sublease including, without limitation, a sublease of the entire Property to one Sublessee for the remaining term of this Lease. Upon request by Lessee,

the Port shall provide Lessee with written confirmation of the release of Lessee, upon an assignment meeting all conditions of this Section.

14.4 Effect of Consent

Any attempted assignment or sublease of the entire Property to one Sublessee for the entire remaining term of this Lease by Lessee in violation of the terms and covenants of Section 14 shall be void. Any consent by the Port to a particular assignment or sublease including, but not limited to, a sublease of the entire Property to one Sublessee for the entire remaining term of this Lease, shall not constitute the Port's consent to any other or subsequent assignment or sublease. If consent is granted, Lessee shall provide a copy of the signed assignment or sublease document to the Port promptly after execution. The sublease or assignment instrument must contain a provision requiring that the Sublessee or assignee perform and observe all terms and conditions of this Lease from and after the date of the assignment or sublease subject to the provisions of Section 14.3 and shall provide that the Port have the right to enforce such terms and conditions directly against such assignee or Sublessee. Port consent to an assignment will not release Lessee of any liability under the Lease unless Lessee requests a release and meets all criteria for a release as provided in Section 14.3 and receives a release from the Port as provided in Section 14.3.

14.5 Transfer by the Port

At any time after the Effective Date, the Port shall have the right to transfer its interest in the Property or in this Lease. In the event of such a transfer, Lessee shall attorn to said transferee and recognize transferee as the new Lessor under the Lease. Thereafter, the Port shall be relieved, upon notification to Lessee of the name and address of the Port's successor, of any obligations accruing from and after the date of the transfer so long as the transferee agrees to assume all obligations of the Port under this Lease. Any such assignment by the Port shall specify that the quiet enjoyment of Lessee and its Sublessees, as provided in this Lease, shall not be disturbed.

15. CONDEMNATION

15.1 Definitions

As used in Section 15, the following terms shall have the following meanings.

15.1.1 Date of Taking

"Date of Taking" means the date on which authority takes actual physical possession or such earlier date as the condemning authority gives notice that it is deemed to have taken possession or is granted possession by a court.

15.1.2 Leasehold Award

The "Leasehold Award" shall mean the sum of: (a) the present value, determined as of the Date of Taking, of the Lessee's Improvements, Lessee's trade fixtures, furniture, equipment, merchandise, and other personal property; (b) the present value of Lessee's interest in the leasehold estate (taking into account the Lessee's prepayment of Rent under this Lease); and (c) any other damages designated or available to be awarded to a tenant under the applicable condemnation laws. The Leasehold Award is payable solely to Lessee. No portion of the value attributable to Parcel 1 or Improvements owned, made by or paid for by the Port or other Governmental Authority, or the Port's Reversionary Interest (as defined in Section 15.1.4), shall be considered a part of the Leasehold Award and payable to the Port. In the event of a Temporary Taking (as defined in Section 15.1.6), the Leasehold Award shall also consist of any compensation for a Temporary Taking without

participation by the Port, except only to the proportionate extent such Temporary Taking extends beyond the end of the term of this Lease.

15.1.3 Partial Taking

"Partial Taking" means the taking or voluntary transfer under the threat of the exercise of eminent domain of any portion of the Property which does not constitute a Total Taking (as defined in Section 15.1.7) or a Temporary Taking (as defined in Section 15.1.6).

15.1.4 Port's Reversionary Interest

The "Port's Reversionary Interest" shall mean the present value, determined as of the Date of Taking, of any right of the Port under this Lease to receive the taken Improvements at the end of the term of this Lease, assuming the Improvements had not been taken and had been maintained and repaired as required by this Lease.

15.1.5 Premises Award

The "Premises Award" shall mean that portion of the award applicable to the Property, including Parcel 1 and all infrastructure Improvements made to the Property by any party other than Lessee and the Port's Reversionary Interest in the Lessee's Improvements (if any), but excluding the Leasehold Award which the Lessee shall be entitled to claim. The Premises Award shall also include any consequential damages suffered or incurred by the Port by reason of the Taking. The Premises Award is payable solely to the Port.

15.1.6 Temporary Taking

"Temporary Taking" means the taking or voluntary transfer under the threat of the exercise of eminent domain of all or any portion of the Property for a period of time less than the remaining term of this Lease.

15.1.7 Total Taking

"Total Taking" means the taking of the Property by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority of law, of so much of the Property as are necessary for Lessee's occupancy, that the Property, after the taking, are no longer suitable for Lessee's intended use; provided that Total Taking shall not include a Temporary Taking.

15.1.8 Unamortized Cost

"Unamortized Cost" means the cost to Lessee of Lessee's Improvements (with each component of Lessee's Improvements calculated separately) minus amortization, from the date of acquisition of each such component to the date of the Taking, calculated using straight line amortization and the shorter of the life of the asset as determined under tax law or the number of years remaining in this Lease (rounded to the nearest year).

15.2 Governing Law

In the event any public or private entity having the power of eminent domain exercises its right or power of eminent domain, the parties' right and obligations shall be governed by the common law of the state of Oregon, applicable to Oregon statutes, and this Lease. In the event of conflict between the statute, common law, and this Lease as to distribution of proceeds, this Lease shall prevail. On all other matters, the statutes and common law shall prevail.

15.3 Distribution of Takings Award

The Port shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Premises Award and the Port's Reversionary Interest. Lessee shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Leasehold Award. It is the intent of the parties that the Premises Award, the Port's Reversionary Interest, and the Leasehold Award will equal the total amount of the award paid as a result of a Taking of the Property.

15.4 Total Taking

If a Total Taking occurs during the term of this Lease, this Lease will terminate as of the Date of Taking.

15.5 Partial Taking

If a Partial Taking occurs during the term of this Lease, this Lease shall terminate as of the Date of Taking as to the portion of the Property taken. As to the remainder of the Property, this Lease will continue in full force and effect. There shall be an equitable refund of prepaid Basic Rent by the Port to Lessee (but subject to then current applicable federal laws and guidelines) if the Port is the Taking authority, based upon the product of the amount of unamortized prepaid Basic Rent as of the Date of Taking and a fraction, the numerator of which shall be the square footage of Parcel 1 remaining after the Taking, and the denominator of which shall be the square footage of Parcel 1 remaining immediately preceding the Taking, which shall be paid by the Port to Lessee promptly after demand, and Additional Rent shall be equitably abated in the event of a Partial Taking. Lessee shall promptly make, at Lessee's sole expense, all desired repairs or alterations to restore the remaining Property after Partial Taking.

15.6 Claims Against Condemning Authority

In any case where the Port is not the condemning authority, Lessee and the Port agree to work together, in good faith, in making their respective claims against the condemning authority, in accordance with the provisions of Section 15. The Port also agrees to work together, in good faith, with any Identified Lenders, in making their respective claims against the condemning authority, in accordance with the provisions of Section 15. Each party shall be responsible for making its own claim for court costs and attorney fees incurred in the condemnation proceedings.

15.7 Adjustment of Award

To the extent that the court does not distribute the Takings award in accordance with the distribution rights set forth in Section 15, the parties agree, upon receipt of the award, to promptly pay to the other any amount of the award belonging to the other in accordance with the distribution set forth in Section 15. If the parties cannot agree upon the distribution within twenty (20) calendar days of the date the judgment or decree is entered in the condemnation proceedings, the controversy shall be resolved in the same court as the condemnation action was brought. The cost of resolving any such controversy, including the prevailing party's attorney fees, shall be paid by the losing party, as determined by the court. The award allocation may also be resolved by mediation or arbitration if the Port and Lessee both agree to submit the issue to mediation or arbitration.

15.8 Effect of Termination

If this Lease is terminated pursuant to the provisions of Section 15, then all Additional Rent and other charges payable by Lessee to the Port under this Lease, or, in the event of a Partial Taking,

all Additional Rent and other charges payable under this Lease with respect to the portion of the Property so taken, will be paid up to the Date of Taking, and any Additional Rent (other than Taxes, which are not prorated, unless the Port is the condemning authority or the court having jurisdiction over the condemnation action provides otherwise) and other charges paid in advance and allocable to the period after the Date of Taking will be repaid to Lessee by the Port together with full payment to the amount of the unamortized prepaid Basic Rent as of the Date of Taking (but subject to then current applicable federal laws and guidelines if the Port is the condemning authority), which obligations shall survive the termination of this Lease. In the event of such termination, the Port and Lessee will then be released from all further liability under this Lease or, in the event of a Partial Taking, from all further liability under this Lease with respect to the portion of the Property so taken, except such liability which survives termination.

15.9 Notice of Taking

Either party receiving any notice of an intended Taking, any service of legal process relating to condemnation, or any other notification in connection with any taking, condemnation, or sale or transfer in lieu of condemnation, shall promptly give the other party notice of such receipt.

16. PORT CONDEMNATION RIGHTS

Nothing in this Lease shall in any way limit the powers and rights of the Port to exercise its governmental rights and powers, including its powers of condemnation and eminent domain. Lessee hereby agrees to waive any right it may have to contest the Port's right or authority to condemn, or its rights of condemnation based on a qualifying public purpose. Lessee agrees that it shall limit any contest with the Port relating to the Port's condemnation/eminent domain rights or authority only to the issue of Lessee's interest in the value of the property being condemned. Lessee hereby agrees that the Port will have the full right and authority to condemn this Leasehold interest as long as Lessee is paid for its value as provided in Section 15.

17. GENERAL PROVISIONS

17.1 Airport Security

Lessee recognizes its obligations to comply with federal airport security regulations applicable to the Airport. The Port shall notify Lessee of any such federal airport security regulations which are or may become applicable to Lessee's use or occupancy of the Property. As of the Effective Date, there are no applicable federal airport security regulations that apply to the use or occupancy of the Property.

17.2 Attorney Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the United States Bankruptcy Code), is instituted in connection with any controversy arising out of this Lease or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. If the Port or Lessee are required to seek legal assistance to enforce any term of this Lease, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review. Whenever this Lease requires either party to defend the other, it is agreed that such defense shall be by legal counsel acceptable to the party to whom such defense is owed.

17.3 Broker

Neither party has been represented by a broker in this transaction. No obligation to pay commission shall arise from the execution of this Lease and each party shall hold the other party harmless from any commission claims arising out of this transaction.

17.4 Calculation of Time

"Legal Holiday" shall mean any holiday observed by the federal government. "Business Day" shall mean Monday through Friday and shall exclude Saturday, Sunday and Legal Holidays. Unless referred to as Business Days, all periods of time referred to herein shall include Saturdays, Sundays and Legal Holidays. However, if the last day of any period falls on a Saturday, Sunday or Legal Holiday, then the period shall be extended to include the next day which is not a Saturday, Sunday or Legal Holiday.

17.5 Capacity to Execute

The Port and Lessee each warrant and represent to one another that this Lease constitutes a legal, valid and binding obligation of that party. The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the party for whom they purport to be acting.

17.6 Counterparts

This Lease may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

17.7 Covenants, Conditions, and Restrictions

This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed upon or pertaining to the Property and to any applicable land use or zoning laws or regulations. Lessee shall, upon request of the Port, execute and deliver agreements of subordination using a commercially reasonable form. The Port agrees that it will not further encumber Parcel 1, except as otherwise specifically allowed by this Lease without notifying Lessee and obtaining its prior written consent, which shall not be unreasonably, withheld, conditioned or delayed, provided that any such further encumbrance shall be subordinate to the Lease and Lessee's interest hereunder and shall not, except only to an insignificant extent, adversely affect Lessee or the construction, development, use, occupancy or operation of the Property or the value of Lessee's leasehold estate. Regardless of statement above, the Port has full rights to modify the Covenants, Conditions, and Restrictions without prior written consent of Lessee, so long as such modifications do not unreasonably conflict with Lessee's rights under this Lease or expand Lessee's obligations beyond those set forth in this Lease.

17.8 Cross Default

The occurrence of a default under any other agreement between the Port and Lessee shall be, at the option of the Port, an Event of Default under this Lease. This Section shall not apply to an event of default under an agreement between the Port and a related entity, subsidiary, or affiliate of Lessee, but rather only other agreements specifically with Lessee and only those within PIC.

17.9 Defined Terms

Capitalized terms shall have the meaning given them in the text herein.

17.10 Entire Agreement

This Lease represents the entire agreement between the Port and Lessee relating to Lessee's leasing of the Property. It is understood and agreed by Lessee that neither the Port nor the Port's agents or employees have made any representations or promises with respect to this Lease or the making or entry into this Lease, except as expressly set forth in this Lease. No claim for liability shall be asserted based on any claimed breach of any representations or promises not expressly set forth in this Lease. All oral agreements, if any, are void and expressly waived by Lessee. This Lease has been thoroughly negotiated between the parties; therefore, in the event of ambiguity, there shall be no presumption that such ambiguity should be construed against the drafter.

17.11 Exhibits Incorporated by Reference

Any and all exhibits attached hereto are incorporated by reference in this Lease for all purposes.

17.12 Force Majeure

If the performance by either of the parties of their respective obligations under this Lease (excluding monetary obligations) is delayed or prevented, in whole or in part, by any extraordinary act of terrorism, nature (including, without limitation, any weather conditions such as heavy rain or freezing temperatures that delay the performance of the obligations of the party considering, among other things, the extremely weather sensitive nature of the soils on the Property), explosion, epidemic, war, civil disorder, change in laws, or unexpected and unavoidable labor strike or material shortage that could not have been reasonably anticipated or avoided by the impacted party (collectively, "Force Majeure"), then that party shall be excused from performance of its obligations until the Force Majeure event has resolved without liability so long as performance occurs as soon as reasonably possible, to the extent performance can occur.

17.13 Governing Law

This Lease shall be governed, construed and enforced in accordance with the laws of the State of Oregon. Jurisdiction shall be with Multnomah County Courts or the Federal Court located in Portland, Oregon.

17.14 Headings, Table of Contents and Definitions

The section headings, table of contents and table of definitions contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

17.15 Interpretation of Lease; Status of Parties

This Lease is the result of arm's length negotiations between the Port and Lessee and shall not be construed against either party. Nothing contained in this Lease, including the method of computation of rentals or construction of Improvements on the Property, shall be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto.

17.16 Lease Subject to Agreements with United States

This Lease 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 the 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.

17.17 Lease Subject to Avigation Priority

Lessee's right to use the Property and the Improvements for the purposes as set forth in this Lease shall be secondary and subordinate to the operation of the Airport. Lessee acknowledges that because of the close location of the Property to the Airport, noise, vibration, fumes, debris and other interference with the use of the Property will be caused by Airport operations. Lessee hereby waives any and all rights or remedies against the Port arising out of any noise, vibration, fumes, debris and other interference that is caused by the operation of the Airport. The Port specifically reserves for itself, and for the public, a right of flight for the passage of aircraft in the airspace above the surface of the Property together with the right to cause in said airspace such noise, vibration, fumes, debris and other interferences as may be inherent in the present and future operation of aircraft. If continued flight operations so require, height restrictions on buildings and other Improvements may be imposed on the Property. Provided, however, if Lessee's interest in the Property is adversely impacted by any such future agreement between the Port and the United States, then Lessee shall be entitled to reasonable compensation for its actual damages resulting therefrom.

17.18 Lease Subject to Bonds and Ordinances

This Lease shall be subject and subordinate to the bonds and ordinances which create liens and encumbrances affecting the Property. Lessee agrees that the Port may hereafter adopt bond ordinances which impose liens or encumbrances on the Property and the Port's interest in the Property, and Lessee shall, upon request of the Port, execute and deliver agreements of subordination consistent herewith as long as those bond ordinances do not disturb Lessee's right of quiet enjoyment under this Lease and do not allow for the early termination of this Lease, except as allowed pursuant to the terms of this Lease and do not otherwise adversely affect Lessee's rights under this Lease, the burden of proof of which shall be on Lessee. The Port acknowledges and agrees that the Port shall timely pay all amounts payable under, and timely discharge, all such bonds and ordinances, and Lessee shall have no financial obligations whatsoever with respect to payment of any such bonds or ordinances. Furthermore, in order to comply with the requirements of existing Port bond ordinances, Lessee hereby makes an irrevocable commitment not to claim depreciation, cost recovery, or an investment credit with respect to the Property (provided, however, this provision shall not preclude Lessee from claiming depreciation, cost recovery, or investment credit with respect to lessee's leasehold estate, space or to any Improvements constructed by the Port using Port funds or Port bond funds or constructed by Lessee or someone else, but paid for using Port funds or Port bond proceeds. Anything in the foregoing to the contrary notwithstanding, this provision does not preclude Lessee from claiming depreciation, cost recovery, or under the property.

17.19 Limitation on Port Liability

This section limits the liabilities of the Parties to each other. Notwithstanding anything to the contrary contained herein, the parties acknowledge that it is in their mutual interests to limit their liability to each other, and expressly bargain for and agree to the following: (a) the Port shall have no liability to Lessee for loss, damage or injury suffered by Lessee on account of theft or any act or omission of any third party, including other tenants. The Port shall only be liable for its own willful misconduct or gross negligence and then only to the extent of actual and not consequential damages; (b) although this Lease gives the Port certain rights of inspection, such rights shall impose no obligation on the Port to make any inspections, nor impose liability on the Port if the Port fails to

make such inspections., or makes inspection, but fails to disclose or require correction of any defect; (c) with respect to any liability of the Port under this Lease, the Port shall only be liable for any injury or damage to Lessee to the extent of actual damages, and shall not be liable for consequential damages (including loss of use and lost profits) except as may be payable to Lessee in the event of a condemnation by the Port (but subject to then current applicable federal laws and guidelines); (d) with respect to any liability of Lessee under this Lease, Lessee shall only be liable for any injury or damage to the Port to the extent of actual damages and shall not be liable for consequential damages (including loss of use, rentals and lost profits); and (e) notwithstanding clauses (c) and (d), with respect to claims made by entities or persons who are not parties to this Lease, the Port and Lessee, as between them, shall retain all rights to common law indemnity and statutory contribution available under applicable Oregon law. The obligations of parties under this Lease do not constitute personal obligations of the individual partners, directors, officers, members, employees or shareholders of the parties or their partners, members, managers or lenders, and neither party will not seek recourse against the individual partners, directors, officers, members, employees or shareholders of the other party or the other party's partners, members, managers or lenders or any of their personal assets for such satisfaction. This Section is not intended to confer any benefit or right to any entity or person who is not a party to this Lease.

17.20 Mediation

All disputes arising out of or related to this Lease shall be subject to mediation as a condition precedent to arbitration or the institution of legal proceedings. The parties shall endeavor to resolve any disputes initially by mediation. The mediator shall be an individual mutually acceptable to the parties. A request for mediation shall be filed in writing with the other party. The parties shall share the mediator's fee and any filing fees, equally. The mediation shall be held in Portland, Oregon at a location mutually acceptable to the parties. The mediation hearing shall occur within thirty (30) calendar days of the request for mediation. Notwithstanding the foregoing, the parties shall not be required to submit to mediation any claims in equity, such as claims for injunctive relief.

17.21 Modification

This Lease may not be modified or amended except by a written instrument duly executed by the authorized signatories for the parties hereto.

17.22 No Exclusive Rights

Nothing in this Lease shall be deemed to grant Lessee any exclusive right or privilege or the exclusive right of conduct of any activity on the Airport except that, subject to the terms and provisions of this Lease, Lessee shall have the right to possess and use the Property.

17.23 No Implied Warranty

In no event shall any consent, approval, acquiescence, or authorization by the Port be deemed a warranty, representation, or covenant by the Port that the matter approved, consented to, acquiesced in or authorized is appropriate, suitable, practical, safe or in compliance with any applicable law or this Lease. Lessee shall be solely responsible for such matters and the Port shall have no liability therefore.

17.24 No Intended Third Party Benefit

Nothing in this Lease gives or shall be construed to create a benefit to any party who is not a signatory party to this Lease.

17.25 No Light or Air Easement

The reduction or elimination of Lessee's light, air or view will not affect Lessee's obligations under this Lease, nor will it create any liability of the Port to Lessee.

17.26 No Limit on Port's Powers

Nothing in this Lease shall limit, in any way, the power and right of the Port to exercise its governmental rights and powers, including its powers of eminent domain, subject to Lessee's right of payment of just compensation.

17.27 Nondiscrimination

Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Airport for a purpose for which a Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as said regulations may be amended. Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (a) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (b) that in the construction of any Improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (c) that Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to 49 CFR 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, and as said requirements may be amended. Lessee assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Lessee or its transferee for the period during which federal assistance is extended to the airport program, except where federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or Improvements thereon. In these cases, the provision obligates Lessee or any transferee for the longer of the following periods: (i) the period during which the property is used by the Port or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (ii) the period during which the Port or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. In addition, Lessee agrees that, whether or not this Lease is conducted with, or benefits from, federal assistance, it shall in all matters pertaining to the performance of this Lease conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, sex, age, color, creed, sexual preference, marital status, national origin, or the presence of any sensory, mental or physical handicap. Lessee will maintain open hiring and employment practices and will welcome applications for employment in all positions from all qualified individuals. It is the policy of the DOT that disadvantaged business enterprises, as defined in the *Airport and Airway Improvement Act of 1982*, as amended and as implemented by federal regulations, shall have the maximum

opportunity to participate in the performance of leases as defined in 49 CFR 23.5. Consequently, this Lease is subject to 49 CFR 23, as applicable. Lessee will, at the timely request of the Port, provide any information needed in preparation of necessary reports, forms, documents and other data relative to equal employment. Lessee hereby assures that it will include the above clauses in any subleases approved by the Port and cause sublessees to similarly include clauses in further subleases.

17.28 Recordation of Memorandum of Lease

A memorandum of lease for this Lease will be recorded in the deed records of Multnomah County, Oregon, and the Port shall pay the cost of recording. The memorandum of lease is attached hereto as **Exhibit J**.

17.29 Notices

All notices required under this Lease shall be deemed to be properly served if sent by certified mail, return receipt requested, or delivered by hand to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent as follows:

to the Port at:

The Port of Portland
P.O. Box 3529
Portland, OR 97208
Attention: General Manager, Aviation Business and Development

with a copy to:

The Port of Portland
P.O. Box 3529
Portland, OR 97208
Attention: Legal Department

to Lessee at:

PDX Logistics Center I LLC
c/o Capstone Partners LLC
1015 N.W. 11th Avenue, Suite 243
Portland OR 97209
Attention: Chris Nelson

with a copy to:

PCCP LLC
222 N. Sepulveda Boulevard, Suite 2222
El Segundo, CA 90235
Attention: Legal Notices and Erik Flynn

with a copy to:

Ball Janik LLP
101 SW Main Street, Suite 1100
Portland OR 97204
Attention: Brad Miller

The date of service of such notice by mail is agreed to be three (3) calendar days after the date such notice is deposited in a post office of the United States Postal Service, postage prepaid, return receipt requested, certified mail or, if delivered by hand, then the actual date of hand delivery. Notice may also be given by facsimile. The burden of proof concerning receipt of the facsimile will be on the sender who may satisfy the burden by presenting a receipt of the transmission showing the date the transmission successfully occurred, the facsimile number that the transmission was sent to, the name of the party to whom the facsimile was sent, and a description of the document sent.

17.30 No Waiver

Waiver by the Port of strict performance of any provision of this Lease shall not be deemed a waiver of or prejudice the Port's right to require strict performance of the same provision in the future or of any other provision of this Lease.

17.31 Port Consent or Action

If Lessee requires the Port's consent or approval pursuant to any provision of this Lease, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

17.32 Provisions Applicable to Others

All provisions of this Lease governing Lessee's use of the Property and Lessee's activities and conduct on, about or from the Property shall apply to Lessee's officers, agents, employees, invitees and contractors.

17.33 Recitals

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

17.34 Severability

If any provision contained herein is held to be invalid or unenforceable, the remaining provisions, or the application of such provisions to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision contained herein shall be valid and enforceable to the fullest extent permitted by law.

17.35 Successors; Parties

The rights, liabilities and remedies provided for in this Lease shall extend to the heirs, legal representatives and, so far as the terms of this Lease permit, successors and assigns of the parties hereto. The words Port 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 such parties hereto.

17.36 Survival

Any covenant or condition (including, but not limited to, indemnification provisions), set forth in this Lease, the full performance of which is not specifically required prior to the expiration or earlier termination of this Lease, and any covenant or condition which by their terms are to survive the termination of this Lease, shall survive the expiration or earlier termination of this Lease and shall remain fully enforceable thereafter.

17.37 Time of the Essence

Time is of the essence in the performance of and adherence to each and every covenant and condition contained herein.

IN WITNESS HEREOF, the Port and Lessee have subscribed their names hereto effective as of the year and date first written above.

PDX LOGISTICS CENTER I LLC

By: [Signature]

Print Name: Chris Nelson

As Its: Authorized Agent

Date: 7/10/13

THE PORT OF PORTLAND

By: [Signature]

Print Name: Bill Wyatt

As Its: Executive Director

Date: July 10, 2013

APPROVED FOR LEGAL SUFFICIENCY
FOR THE PORT OF PORTLAND:

By: [Signature]

Counsel for The Port of Portland

APPROVED BY COMMISSION ON:

July 10, 2013

Exhibit C

Explanation of option payment amount for phase II:

In calculating the option payment amount, the Port requires an effective present value price per square foot of \$6.70. To calculate the proper payment amount, the Port calculated what the future payment would need to be.

That calculation is derived by taking the total square footage of 747,925 multiplied by the price/sf of \$6.70 and then multiplied by 0%, which totals \$5,968,299.

The option fee amount is derived by taking the \$5,968,299 multiplied by 7.0%, which totals \$417,781.

The remaining payment due is \$5,550,518.

Variables used in calculation

Discount Rate		6.0% [a]
Acreage		17.17 [b]
Sq Ft		747,925 [c]
Target Price/sf	\$	6.70 [d]
Option Fee Percentage		7.0% [e]

Calculation of Option Payment (36 months after closing)

Payment Amount \$ 5,968,299 [f] = future value of [c] * [d] at a rate of 6% for 3 years.

Option Fee

Option Fee Amount \$ 417,781 [g] = [f] * [e]

Remaining Amount Due at
Closing \$ 5,550,518 [f] - [g]

Effective Rate \$6.70 present value of [f], discounted at 6% for 3 yrs.

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

By: The Port of Portland

Dated: February 16, 1989

After recording return to:

Ball, Janik & Novack
101 S.W. Main Street
Suite 1100
Portland, Oregon 97204
Attn: Stephen T. Janik

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DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

THIS DECLARATION is made this 16th day of FEBRUARY, 1989 by the Port of Portland.

Declarant owns certain real property in Multnomah County, Oregon more particularly described on the attached Exhibit A (the "Property"). Declarant intends to create on the Property a planned mixed-use development. In order to enhance the value of the Property, Declarant desires to establish certain design and development standards for the Property and certain maintenance and repair obligations of the Tenants (as defined below).

NOW, THEREFORE, Declarant subjects the Property, together with any and all property which may be added to the Property pursuant to the provisions of this Declaration, to the covenants, conditions, and restrictions set forth below.

SECTION 1 INTRODUCTION

1.1 General Declaration. The covenants, conditions, and restrictions set forth in this Declaration shall run with and bind the Property, Declarant, the Tenants, the Occupants, and the heirs, successors, and assigns of Declarant, the Tenants and the Occupants. These covenants, conditions, and restrictions shall inure to the benefit of and burden Declarant, all Tenants, Occupants, and future Tenants and Occupants.

1.2 Addition of Other Property. At any time and from time to time, Declarant may add to the Property all or a portion of the Adjacent Property. Upon recordation of a supplemental declaration in the chains of title of both the Property and such portion of the Adjacent Property, all provisions of this Declaration, as modified by such supplemental declaration, shall apply to such portion of the Adjacent Property in the same manner as if it were originally covered by this Declaration as part of the Property.

SECTION 2 DEFINED TERMS

Throughout this Declaration, the following terms, when capitalized, shall have the following meanings, except when the context requires otherwise:

2.1 "Adjacent Property" means the real property in Multnomah County, Oregon legally described on the attached Exhibit B. The Adjacent Property is adjacent to the Property.

2.2 "Association" means the Portland International Center Tenants' Association formed pursuant to Section 3.1.

2.3 "Board" means the Board of Directors of the Association formed pursuant to Section 3.3.

2.4 "Common Areas" means (a) all portions of the Property excluding the Parcels (but including Parcels 5, 11, and 14) and excluding public rights-of-way, (b) the Landscape Strips on the Property, and (c) the water mitigation area on the Adjacent Property which consists of approximately four acres and which is planted with native vegetation. The Common Areas includes all Improvements on and structural elements of the foregoing including, by way of illustration and not by way of limitation, the following: storm drainage ditches and system; the 40-mile Loop Trail; entry monuments and signs; directional monuments and signs; and all other general purpose business park monuments, signs, and lighting systems and fixtures. The Common Areas on the Property are depicted on the map attached as Exhibit C. The Landscape Strips on such map, however, are not shaded to scale. On or after the addition of any portion of the Adjacent Property to the Property (pursuant to Section 1.2) Declarant shall add to the Common Areas those additional portions of the Adjacent Property which shall be additional Common Areas. The extent of the Common Areas of subsequent Phases (added to the Property pursuant to Section 1.2) shall not be proportionately greater than the extent of Common Areas for the first Phase of the Property, described above in this Section 2.4. Such additional Common Areas shall include only property of the type included in the initial Common Areas. In the event the license described in Section 7 is revoked by Declarant, the property as to which the license is revoked shall no longer be considered a part of the Common Areas. In such event, Declarant shall maintain such property at its expense in conformance with this Declaration and Declarant shall not use such property or allow the use of such property in any way which is substantially different from the use of such property prior to the revocation of the license.

2.5 "Declarant" means the Port of Portland, the port district created under ORS 778.010, and any successor or assign to whom Declarant may convey fee simple title to the Property and succeeding to the responsibility of Declarant under this Declaration pursuant to a designation by Declarant or any successor Declarant of such successor or assignee as a successor Declarant in a supplemental declaration recorded in the Deed Records of Multnomah County.

2.6 "Declaration" means this Declaration of Covenants, Conditions, and Restrictions for Portland International Center, as amended from time to time.

2.7 "Designated Voter" means that individual named in a written notice given by a Tenant to the Secretary which notice sets forth (a) the address of the Designated Voter for such

Tenant, and (b) the number of such Tenant's votes which shall be voted by such Designated Voter. If there is more than one person or entity comprising a Tenant, all such persons or entities shall execute such notice in order for such notice to be effective.

2.8 "Director" means a member of the Board, elected in accordance with Section 3.3.

2.9 "Hazardous Materials" means environmentally hazardous or toxic materials, wastes, pollutants, oils, or contaminants, as defined by any federal, state, or local law or regulation, as amended from time to time.

2.10 "Improvement" means any improvement now or hereafter placed or constructed in, under, or upon the Property, including without limitation any building, road, driveway, parking area, loading area, pipe, fence, screening wall or barrier, retaining wall, stairs, deck, utility distribution facility, landscaping, or sign.

2.11 "Institutional Lender" means an entity which has a first lien on a Tenant's leasehold interest in a Parcel and which is a bank, savings and loan association, mortgage company, insurance company, pension fund, or other entity which, in the ordinary course of its business, regularly makes loans to borrowers secured by first liens against commercial real estate. Institutional Lender shall also mean a person or entity approved by Declarant in writing as being an acceptable lender to a Tenant for purposes of financing acquisition, construction, and/or development of or on a Parcel and having a first lien on such Tenant's leasehold interest in the Parcel.

2.12 "Landscape Strips" means (a) all landscaped areas on public rights-of-way on and adjacent to the Property and the Adjacent Property, and (b) the easement strips over the land abutting International Parkway and Alderwood Way which shall never be wider than eight feet from each outside edge of each such right-of-way. Such easement area along International Parkway is six feet wide from each outside edge of the Parkway and such easement area along Alderwood Way is eight feet wide from each outside edge thereof when Alderwood Way consists of five lanes and is zero feet wide when Alderwood Way consists of three lanes. Whenever a public right-of-way is dedicated over any portion of the Property, the landscaped areas on such right-of-way shall become a Landscape Strip on the date on which copies of the recorded instrument effecting the dedication of such right-of-way are delivered to the Secretary and Declarant.

2.13 "Lease" means any ground lease pertaining to any portion of the Property entered into by the Port of Portland, as Lessor, and a Tenant, as Lessee, a memorandum of which is recorded in the real property records of Multnomah County, Oregon.

2.14 "Mortgage" means a first mortgage, deed of trust or other financing or security instrument entered into by a Tenant and an Institutional Lender which effects a lien on a Tenant's leasehold interest in a Parcel.

2.15 "Occupant" means the person or entity in lawful possession of all or any portion of the Property.

2.16 "Parcel" means each parcel of land as designated on the attached Exhibit C, and each parcel of land on the Adjacent Property, as such parcels are designated by Declarant in any supplemental declaration which adds such parcels to the Property pursuant to Section 1.2.

2.17 "Phase" means that portion of the Property or Adjacent Property described in this Declaration or any supplemental declaration which adds all or any portion of the Adjacent Property to the Property pursuant to Section 1.2. The Property described on Exhibit A is the first Phase (or "Phase 1"). Subsequent Phases shall be described and referred to by number in the supplemental declaration by which they are created.

2.18 "Port Director" means any of the Directors selected by the Port of Portland as provided in Section 3.3.

2.19 "President" means the President of the Association, selected in accordance with Section 3.15.

2.20 "Property" means the real property in Multnomah County, Oregon legally described on the attached Exhibit A, and any property added to the Property pursuant to Section 1.2.

2.21 "Secretary" means the Secretary of the Association, selected in accordance with Section 3.15.

2.22 "Tenant" means any person or entity holding an interest in the Property as a ground lessee pursuant to a Lease, and any heir, successor or assign of a Tenant who shall automatically become a Tenant hereunder provided a transfer document is recorded in the real property records of Multnomah County, Oregon and the transfer is permitted under the terms of the Lease. If there is more than one person or entity comprising a Tenant, such persons or entities shall be considered one Tenant for voting purposes under any provision of this Declaration and shall determine between or among themselves how their votes will be cast and who their Designated Voter or Designated Voters shall be.

2.23 "Tenant Director" means any of the Directors elected by the Tenants, as provided in Section 3.3.3.

SECTION 3PORTLAND INTERNATIONAL TENANTS' ASSOCIATION

3.1 Formation and Authority. The Association shall be known as the Portland International Center Tenants' Association and shall be formed by Declarant as an Oregon nonprofit corporation on or before the date on which fifty percent of the land area of the Parcels then subject to this Declaration are leased to Tenants. If Declarant does not form the Association by such time and fails to form the Association after receipt of a written request from a Tenant, such Tenant may form the Association and may call the first meeting to elect the Tenant Directors. The Association shall act through the Board, the membership of which shall be established pursuant to Section 3.3. Prior to the date the Association is formed, Declarant shall have all the duties, power, and authority of the Association and shall perform the obligations of the Association under this Declaration.

3.2 Duties and Powers of the Association. The Association shall have all requisite power, duty, and authority to perform its obligations under this Declaration, including without limitation the power, duty and authority to enforce the provisions of this Declaration and to acquire and pay for, out of the common fund provided by assessments pursuant to Section 4, all goods and services necessary or appropriate for the proper functioning of the Association in accordance with this Declaration. Without limiting the generality of the foregoing or the other provisions of this Declaration, the Association shall have the power, duty, and authority, subject to the other provisions of this Declaration, to undertake the following actions:

3.2.1 Determine the amounts necessary or appropriate for the performance by the Association of its powers and duties under this Declaration.

3.2.2 Impose and collect annual and special assessments from the Tenants and Declarant.

3.2.3 Maintain bank accounts on behalf of the Association and designate the signatories required on those accounts.

3.2.4 File all appropriate Association income tax returns.

3.2.5 Enforce by legal means the provisions of this Declaration.

3.2.6 Maintain, repair, and replace the Common Areas and the Improvements thereon and establish one or more reserve funds for such purposes; provided, however, that any maintenance, repair, or replacement of the underground storm drainage pipe on the Property required due to defective construction of such pipe shall be the responsibility of Declarant.

3.2.7 Obtain such policies of insurance as the Board may from time to time deem appropriate for the protection of the Association and the Common Areas, and as may be authorized pursuant to Section 3.14.

3.2.8 Contract for such services (including without limitation legal and accounting services) as may be necessary or appropriate to manage the affairs of the Association properly and in accordance with this Declaration, whether the personnel performing such services are employed directly by the Association or by a manager or management firm or agent retained by the Association.

3.2.9 Appoint such committees from among the Directors as the Board may determine from time to time to be appropriate to assist in the conduct of the affairs of the Association and delegate to any such committee such authority as the Board may deem appropriate, subject in all cases to the provisions of the Declaration.

3.3 Board of Directors

3.3.1 Generally. The affairs of the Association shall be governed by the Board, which shall be comprised of the number of Directors determined as provided in Section 3.3.2. Prior to the date Declarant enters into the first Lease, Declarant shall select all Directors. From and after the date Declarant enters into the first Lease, Directors shall be elected in the manner provided in Sections 3.3.3 and 3.3.4.

3.3.2 Number and Classification of Directors. The Board shall be comprised of three directors, as follows:

(a) There shall be two Tenant Directors, elected in the manner provided in Section 3.3.3; and

(b) There shall be one Port Director, selected by Declarant, as he or she may be redesignated by Declarant from time to time.

3.3.3 Election of Tenant Directors. One of the Tenant Directors shall be elected by majority vote of the Tenants, with each such Tenant having one vote for each 10,000 square feet of land leased pursuant to a Lease. There shall be no fractional votes. The other Tenant Director shall be elected by majority vote of the Tenants and Declarant, with each such Tenant having one vote for each 10,000 square feet of land leased pursuant to a Lease and with Declarant having one vote for each 10,000 square feet of land comprising the unleased Parcels (excluding Parcel 4 until Parcel 4 is leased and excluding all Parcels included in the Common Areas). Only Declarant and Designated Voters shall have the right to vote. There shall be no fractional votes. Tenant Directors shall be elected from time to time at a meeting of the Tenants and Declarant conducted pursuant to Section 3.3.4.

3.3.4 Meetings of Tenants and Declarant. Any meeting of Tenants and Declarant for the purpose of electing Tenant Directors pursuant to this Section 3.3 shall be conducted in accordance with the following procedures:

(a) The first such meeting shall be held at least 30 days after the formation of the Association. Subsequent meetings shall be held at least 30 days prior to the expiration of the term of any Tenant Director. If, at the time of any such meeting, no Lease is in effect, Declarant shall select both Tenant Directors.

(b) Any meeting pursuant to this Section 3.3.4 shall be held at such place within Multnomah County, Oregon as may be designated by the Secretary. The Secretary shall give written notice of any such meeting to each Designated Voter entitled to vote at such meeting and to Declarant to the attention of the General Manager of Real Estate at least ten, but not more than 30, days prior to the date set for such meeting, which notice shall state the purpose, time, and place of the meeting. The Secretary shall be responsible to notify a Designated Voter of a meeting only if the Tenant for which such Designated Voter is designated to vote has given written notice to the Secretary setting forth such Designated Voter's name and address at least ten days prior to the giving of the notice of the meeting. Notice of any such meeting may be waived by any Designated Voter or by Declarant at any time. No Designated Voter who is present at a meeting may object to the adequacy or timeliness of the notice given.

(c) Any Designated Voter may give a proxy to any person, so long as such proxy is in writing, signed by such Designated Voter, and filed with the Secretary. A proxy shall expire on the earlier of (i) eleven months after the date of the proxy; or (ii) the date of the expiration or earlier termination of the Lease of the Tenant for which the Designated Voter is designated to vote.

(d) The presence, in person or by proxy, of Designated Voters and Declarant together entitled to cast at least 51 percent of the total votes entitled to be cast at any meeting shall constitute a quorum.

3.4 Terms of Directors. Each Director shall serve a one-year term; provided, however, if a Tenant Director is a Tenant and such Tenant Director's Lease expires or terminates prior to the end of his or her term, such Tenant Director's term shall end on the earlier of the expiration date or termination date of the Lease.

3.5 Resignation. Any Director may resign at any time by sending a written notice of such resignation to the Secretary.

Unless otherwise specified in such notice, a resignation shall take effect upon receipt of the notice by the Secretary.

3.6 Vacancies. Vacancies on the Board caused by the death or resignation of a Director shall be filled by vote of the majority of the remaining Directors, even if they constitute less than a quorum. If the remaining Directors deadlock, any Director may call a special meeting of Declarant and the Tenants to fill the vacancy. Any Director so selected shall serve the remainder of the replaced Director's term.

3.7 Meetings of the Board

3.7.1 Initial Meeting. The initial meeting of the Board shall occur within 60 days after the formation of the Association. At the Initial Meeting, the following shall occur:

(a) The Directors elected by the Tenants and Declarant pursuant to Section 3.3 shall conduct their first meeting as the Board;

(b) The Board shall elect a President and a Secretary; and

(c) Declarant shall deliver to the Board all of the Association's property in Declarant's possession, if any, including without limitation all books and records, funds, tangible personal property, insurance policies, and contracts to which the Association is a party.

3.7.2 Annual Meetings. The Board shall meet annually, within 90 days after the end of each calendar year. At each annual meeting, the Secretary shall present to the Board a report on the financial condition of the Association, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Tenant, and the estimated receipts and expenses for the coming year.

3.7.3 Special Meetings. Special meetings may be called at any time by two Directors. Such meetings shall be scheduled by the Secretary within 30 days after the Secretary's receipt of the written requests signed by two or more Directors; provided that if the purpose of a special meeting is to elect a successor Secretary pursuant to Section 3.15.2 or to consider removal of the Secretary pursuant to Section 3.15.3, such meeting may be scheduled by the President or, if the meeting is also for the purpose of electing a successor President or removing the President, any other Director.

3.7.4 Place of Meetings. Meetings of the Board shall be held at such place within Multnomah County, Oregon, as may be designated from time to time by the Board.

3.7.5 Notice. The Secretary shall give written notice to each Director of each Board meeting at least ten but not more than 30 days prior to the date set for such meeting, stating the purpose, time, and place of the meeting. Notice shall be sent to the address of each Director as listed on the books of the Association, or to such other address as any Director may designate by written notice to the Secretary given at least ten days prior to the giving of notice of the meeting. Notice of any meeting may be waived by any Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a meeting is adjourned for fewer than 30 days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

3.8 Voting by the Board. Each Director shall have one vote. So long as a quorum is constituted, the vote of Directors together holding more than 50 percent of the total votes, whether the Directors voting are present in person or by proxy, or the vote by mail of Directors together holding more than 50 percent of the total votes, shall be a binding vote of the Board for all purposes, unless a greater percentage is required by law or this Declaration.

3.9 Proxies. A Director may vote in person or by proxy. A proxy may be given by a Director to any person, so long as the proxy is in writing, signed by such Director, and filed with the Secretary. A proxy shall expire on the earlier of (i) the end of the Director's term; or (ii) eleven months after the date of the proxy.

3.10 Quorum. The presence, in person or by proxy, of a majority of the Directors shall constitute a quorum for voting at a Board meeting. When voting is by mail pursuant to the provisions of Section 3.11, a quorum shall be constituted if the number of votes cast equals at least 51 percent of the total votes entitled to be cast. The Board shall have the power to adjourn a meeting even if less than a quorum is present.

3.11 Voting by Mail. Voting of the Directors may be by mail with respect to any matter before the Board. In any case in which voting by mail is necessary or desirable, the Secretary shall give written notice to all Directors, which notice shall (i) include a written resolution setting forth the proposed action, (ii) state that the Directors are entitled to vote by mail for or against such resolution, and (iii) specify a date not less than 25 days after the effective date of such notice by which all votes must be received at the principal office of the Association. Votes received after the date specified shall not be effective.

3.12 Compensation of Directors. No Director shall receive compensation from the Association for serving on the Board.

3.13 Indemnification of Directors and Officers. No Director or Officer shall be liable to the Association or the Tenants for any mistake of judgment, negligence, or otherwise, except for such Director's or such Officer's own willful misconduct or bad faith. Each Director and Officer shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees, incurred by or imposed upon such Director or such Officer in such capacity; provided, however, there shall be no indemnity if such Director or such Officer is adjudged guilty of willful misconduct or bad faith in connection with the matter as to which indemnification is sought.

3.14 Insurance. The Board may purchase and maintain insurance on behalf of any Director and/or Officer against any liability incurred by such Director and/or Officer in such capacity, if such insurance is available at a cost and on terms which the Board determines to be reasonable.

3.15 Officers of the Association

3.15.1 Designation. The officers of the Association shall be the President and the Secretary, both of whom shall be elected by the Board. The same person shall not concurrently hold the offices of President and Secretary. The Board may designate such additional officers as it deems appropriate.

3.15.2 Election. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office becomes vacant, the Board shall elect a successor to fill the unexpired term at a special meeting of the Board called for such purpose.

3.15.3 Removal. The Board may remove any officer, at any time, with or without cause, and a successor may be elected at a special meeting of the Board called for such purpose.

3.15.4 President. The President shall be a Director and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board and, unless otherwise provided in this Declaration, shall have all of the general powers and duties normally incident to the office of the chief executive officer of an association.

3.15.5 Secretary. The Secretary shall not be required to be a Director. The Secretary shall keep the minutes of all proceedings of the Board and all other Association records and shall attend to the giving of all notices to the Board and other notices pursuant to this Declaration or required by law. The Secretary shall be responsible for Association funds and shall keep full and accurate financial records and books of account sufficient for proper accounting purposes showing all receipts and disbursements necessary for the preparation of all required financial data and tax returns. The Secretary shall be

responsible for the deposit of all Association funds in such depositories as may from time to time be designated by the Board, and shall disburse Association funds for such purposes as may be permitted under this Declaration. The Secretary shall perform all other duties incident to the office of secretary of an association or as may be directed by the Board. The Secretary shall perform all of such duties at the expense of the Association.

3.16 Execution of Instruments. All agreements, contracts, and other instruments of the Association shall be executed by such person or persons as may be designated from time to time by resolution of the Board.

SECTION 4 ASSESSMENTS

4.1 Annual Assessments

4.1.1 Authority to Assess. Subject to the limitations and requirements set forth in this Section 4.1, the Association shall have the authority to levy annual assessments to pay all expenses associated with the Association's performance of its powers, duties, and responsibilities under this Declaration, including without limitation the powers, duties, and responsibilities set forth in Section 3.2; to pay all lighting, insurance, maintenance, repair, replacement and other expenses incurred with respect to the Common Areas; and to maintain the reserve fund or funds described in Section 3.2.6. The Association shall bill Declarant and each Tenant for Declarant and each such Tenant's share of the assessments (determined in accordance with this Section 4.1) on an annual, quarterly, or monthly basis, as the Board may determine. Each Tenant and Declarant shall pay any such assessment within 30 days after the date of billing.

4.1.2 Allocation of Assessments to Tenants and Declarant. Each Tenant's annual assessment shall be a fraction of the total Association annual expenses equal to (a) the number of square feet of land area on the Property leased by the Tenant pursuant to a Lease, divided by (b) the entire amount of square feet of land area in the Parcels (excluding Parcel 4 until Parcel 4 is leased and excluding all Parcels in the Common Areas). Declarant shall be assessed as if it were the Tenant of the unleased Parcels provided that Parcel 4 shall be excluded until Parcel 4 is leased and all Parcels in the Common Areas shall be excluded. Upon the addition of any property to this Declaration pursuant to Section 1.2, Declarant shall determine the revised number of square feet of land area of the Parcels of such added property.

4.1.3 Allocation of Special Feature Maintenance Costs. In the event any portion of the Common Areas in any Phase is improved with a special feature which requires special maintenance, repairs, and replacement costs, then the costs

incurred in connection with such maintenance, repairs, and replacements shall be assessed only to the Tenants which are benefitted by such special feature within that Phase in which the special feature is located, as determined by the Board, and to Declarant, assessed as follows: Each such Tenant's assessment shall be a fraction of such costs equal to (a) the number of square feet of land area leased by the Tenant pursuant to a Lease divided by (b) the entire amount of square feet of leasable land area benefitted by the special feature. Declarant shall be assessed as if it were the Tenant of the unleased Parcels (if any) benefitted by the special feature (excluding Parcel 4 and the Common Areas).

4.2 Special Assessments. In addition to annual assessments pursuant to Section 4.1, the Association may levy special assessments to pay the cost of any construction, reconstruction, repair, or replacement of any part of the Common Areas or for any other purpose deemed appropriate by the affirmative vote of at least two-thirds of the Directors. Any special assessment under this Section 4.2 shall be levied unless written notices objecting to such special assessments signed by Designated Voters or Declarant representing at least two-thirds of Tenant votes are received by the Secretary within 30 days after written notice is given to the Tenants and Declarant of such special assessment. For purposes of such voting, each Tenant shall have one vote for each 10,000 square feet of land leased pursuant to a Lease and Declarant shall have one vote for each 10,000 square feet of land comprising the unleased Parcels (excluding Parcel 4 until Parcel 4 is leased and excluding all Parcels in the Common Areas). There shall be no fractional votes. Only Declarant and Designated Voters shall have the right to vote. Special assessments levied under this Section 4.2 shall be billed to the Tenants and Declarant at such time as the Board may determine. Special assessments shall be allocated among the Tenants and Declarant in the manner provided with respect to annual assessments in Section 4.1.2.

4.3 Association Records; Budgeting.

4.3.1 Records. The Association shall maintain records of assessments, of any other income received by the Association, and of all disbursements made. The Association shall also maintain voting records and budget records. The Board may at any time and from time to time require that an audit of the Association's records be performed at the expense of the Association. The results of any such audit may be presented at any meeting of the Board. Any Director may, at the Association's expense and at any reasonable time, copy any Association records reasonably necessary to the performance of such Director's duties. Any Tenant shall have the right to inspect Association records at any reasonable time, after reasonable notice to the Secretary. Any Tenant may copy Association records at such Tenant's expense.

4.3.2 Budgeting. The Association shall establish a fiscal year for budgeting purposes. At least 90 days prior to the Association's second fiscal year and at least 90 days prior to the commencement date of each succeeding fiscal year, the Association shall prepare and make available to the Tenants, at the office of the Secretary, a proposed budget of the estimated costs and expenses to be incurred by the Association during the following fiscal year in performing its functions hereunder. The budget will be accompanied by a schedule showing the annual and special assessments to be assessed to the Tenants for the following fiscal year. Failure of the Association to prepare the budget and accompanying schedule shall not relieve the Tenants of their obligations to pay annual and special assessments for the fiscal year which would have been covered by the budget. In the event the Association does not prepare the budget and accompanying schedule within 90 days prior to the commencement date of any fiscal year, the Association shall continue to levy and collect annual and special assessments at the level of the previous fiscal year, plus an increase of not more than ten percent (10%). Then, at the time the Association adopts its budget, such budget shall be effective as of the first day of the corresponding fiscal year. In the event the amount of the budgeted annual and special assessments is in excess of the amount actually paid by the Tenants for such fiscal year, then the Tenants shall pay the amount of such excess to the Secretary within 30 days after the effective date of notice to the Tenants of the proposed budget. In the event the amount of the budgeted annual and special assessments is less than the amount actually paid by the Tenants for such fiscal year, then the Association shall either apply the excess to the Tenants' next due installments of annual and special assessments or refund the excess.

4.4 Enforcement. In the event any assessment, or any expense due pursuant to Section 6 or 8, is not paid within 30 days after the date of billing, the Association, in addition to all other rights and remedies available by law or provided herein, may, upon 15 days prior written notice to the Tenant owing such assessment or expense, impose a lien against such Tenant's leasehold interest in the Property in the amount of the assessment or expense, plus collection costs, including reasonable attorneys' fees, plus interest on all such amounts from the date first due (in the case of the assessment or expense) or the date of expenditure (in the case of collection costs) until paid in full, at a rate per annum equal to the lesser of (a) the maximum rate permitted by law, or (b) seven percentage points in excess of the average discount rate of three-month treasury bills as reported by the Federal Reserve Bank of New York at the first weekly auction held during the calendar month of such date. If the rates described in clauses (a) and (b) of the foregoing sentence are not available, then the Board shall set a reasonable substitute rate. Any such lien shall bind and run with the leasehold interest of such Tenant in the Property until paid in full. The Association may initiate an

action to foreclose any such lien in any manner provided by law. In any action to foreclose any such lien, any judgment rendered against the Tenant of the portion of the Property in question and in favor of the Association shall include such amount as the court may adjudge reasonable for attorneys' fees and all costs and expenses reasonably incurred in the preparation for and the prosecution of such action, at trial and on any appeal, in addition to all other amounts provided by law.

4.5 Personal Obligation. Each assessment or charge levied pursuant to the provisions of this Declaration shall be a separate and personal obligation of the Tenant against which the assessment or charge is levied. The expiration, termination, or assignment of the Tenant's Lease shall neither release nor discharge the Tenant thereof from such personal liability accrued as of the date of such expiration, termination or assignment. No Tenant shall be released from liability for assessments by abandoning its use or enjoyment of the Common Areas.

4.6 Subordination; Estoppel. Notwithstanding any other provision of this Declaration, any lien imposed on a leasehold interest hereunder shall be and remain inferior, junior, and subordinate to the lien of a Mortgage given to an Institutional Lender to finance the acquisition of a leasehold and/or construction or development of Improvements on a Parcel, to refinance any such financing, or as permanent financing (and subsequent replacements and refinancings of such permanent financings) in connection therewith. Such subordination shall not be effective to the extent the lien secures payment of (a) the amount of unpaid annual assessments under Section 4.1, as allocated by the Association to the 180-day period prior to the transfer of any tenant's leasehold interest under a decree of foreclosure or nonjudicial foreclosure sale pursuant to any Mortgage or deed in lieu of foreclosure, and (b) the amount of unpaid special assessments under Section 4.2, as allocated by the Association to such period (it being understood that the Association's claim against the Tenant and the lien securing payment of such amounts will survive and continue after any such decree of foreclosure, foreclosure sale or deed in lieu of foreclosure). Upon 20 days prior written request, the Association shall execute and deliver such reasonable documentation as any prospective or current Tenant or Institutional Lender may request (a) to confirm or evidence the provisions of this Section 4.6 and/or (b) as evidence of the amount of outstanding assessments as of the date of such request levied against a Tenant's leasehold interest and any other indebtedness owed by the Tenant to the Association as of such date.

SECTION 5 ARCHITECTURAL AND DESIGN CONTROL

5.1 Generally. No Improvement of any kind shall be commenced, erected, placed, or altered on any portion of the Property unless such Improvement is in conformance with the standards set forth in the Development Requirements and Standards

attached as Exhibit D (the "Design Standards") and until plans and specifications showing the nature, kind, shape, height, material, and location of such Improvement are submitted to and approved by Declarant pursuant to the provisions of Section 5.2. Improvements to the interiors of buildings are not subject to the Design Standards except for significant changes to the type of use or except to the extent the interior is highly visible from the exterior of the building (such as lobby areas). All Improvements shall be erected and altered in conformance with all applicable governmental laws, ordinances, rules, and regulations and in accordance with the Design Standards. To the extent applicable governmental laws, ordinances, rules, and regulations are in conflict with the Design Standards, the more restrictive standards shall control. Declarant shall have the authority to promulgate additional Design Standards and to amend the Design Standards from time to time, so long as such additional Design Standards and amendments do not conflict with this Declaration (excluding the Design Standards) and do not materially decrease the quality of the Improvements and/or the site layout as required by the Design Standards attached as Exhibit D. Such amendments shall be supplied in writing to all Tenants, shall be fully binding upon all Tenants as if set forth in this Declaration, and shall be applied by Declarant in reviewing and approving or denying proposed Improvements.

5.2 Design Review Procedure

5.2.1 Generally. Prior to the commencement, erection, placement, or alteration of any Improvement covered by Section 5.1, the Tenant desiring to commence, erect, place, or alter such Improvement shall meet with Declarant's Land Development Manager and any other members of Declarant's staff to discuss the review process. The Tenant shall comply with all terms, conditions, and procedures set forth in the Design Standards. Declarant shall determine whether the proposed Improvement is in conformance with the Design Standards, pursuant to the procedures set forth in the Design Standards. If Declarant develops any Parcel, Declarant shall comply with the requirements of Sections 5 and 6 as if it were a Tenant with respect to such Parcel.

5.2.2 Approval. Declarant may approve a proposed Improvement as submitted or subject to specific conditions as the Declarant may reasonably determine to be appropriate to protect the Property. Any disapproval of plans or an Improvement shall specify the reasons for disapproval in reasonable detail.

5.2.3 Commencement of Work. As soon as practicable after the receipt of approval by Declarant, if the Tenant elects to proceed with the Improvement, the Tenant shall satisfy any and all conditions of such approval, shall secure all necessary governmental permits and approvals, and shall promptly commence construction of the approved Improvement. Declarant's approval of any proposed Improvement shall automatically be deemed revoked

one year after issuance unless construction of the Improvement has commenced or the Tenant has applied for and received an extension of time from Declarant.

5.2.4 Completion of Work. Any approved Improvement shall be completed within two years after the date of commencement of construction. In all cases, landscaping shall be completed within six months after substantial completion of associated Improvements. Promptly after completion of any Improvement, the Tenant shall give written notice of completion to Declarant. Such notice shall be accompanied by a certificate of the Tenant, in a form and content reasonably satisfactory to Declarant, that such work has been undertaken and completed in compliance with the approved plans and this Declaration. Within 30 days after the effective date of such notice, Declarant shall inspect the completed Improvement and give written notice to the Tenant of any respects in which the completed Improvement fails to conform to the plans therefor as approved by Declarant. Declarant shall specify in any such notice a reasonable period, which shall be not less than 30 days, during which the Tenant may remedy the nonconformance. If Declarant fails to give a notice of nonconformance within 30 days after the effective date of the notice of completion, the Improvement shall be conclusively presumed to be approved as completed.

5.2.5 Estoppel. Within 30 days after receipt by the Declarant of a written request executed by a Tenant and either a prospective Institutional Lender or a prospective purchaser of such Tenant's leasehold interest in a Parcel, Declarant shall execute and deliver to such Tenant an estoppel certificate certifying (to the extent such matters are true): (a) Declarant has approved plans for construction of an Improvement submitted to the Declarant by such Tenant; and (b) Declarant has not given to the Tenant a notice of nonconformance pursuant to Section 5.2.4. Any purchaser or Institutional Lender requesting such certificate pursuant to this Section 5.2.5 may conclusively rely on such certificate with respect to the matters set forth therein. No such certificate shall be construed as a warranty by the Declarant as to (i) the quality of any construction, (ii) whether the Improvement or (iii) the use thereof is in compliance with applicable law, or any other matter, except as expressly set forth in such certificate.

5.2.6 Variances. Declarant may waive any provision of the Design Standards if a written request for an exception shall be submitted by a Tenant to Declarant's Land Development Manager, stating the reason for the request and the applicable section of the Design Standards. Declarant will evaluate each request and will notify the Tenant, in writing, of the decision within ten working days. If the variance request is determined to be in conformance with the design guidelines of the PDX Eastside Master Plan dated January, 1988, as amended from time to time, the request will be approved. If not, the request may be approved only if it can be determined that: (a) enforcement of the

standard in question would cause development constraints which would make the site significantly more difficult to develop than other sites subject to the same standards; (b) there would be no adverse impact to adjacent existing development or to the provision of basic services to the Property and the Tenants; and (c) the proposed variance meets the overall objectives of the PDX Eastside Master Plan and the objectives of the relevant section(s) of such plan. Written findings addressing each of these three criteria will be recorded with the notice of approval. Reasonable conditions related to the variance may be required as part of the variance approval.

5.2.7 No Liability. Neither Declarant, nor any employee, officer or agent thereof, nor the Association shall be liable to any Tenant, Occupant, or other person or entity for any damage or loss suffered or claimed as a result of any action or failure to act on the part of Declarant, so long as Declarant has acted in good faith based on actual knowledge.

5.2.8 Nonwaiver. Approval or disapproval by Declarant of any matter proposed to it shall not constitute a precedent or waiver or impair in any manner whatsoever the right of Declarant to grant or withhold approval as to any similar matter thereafter proposed or submitted to it for approval.

5.2.9 Records. The Association shall have the right from time to time after reasonable notice to Declarant and at reasonable times to review and copy (at the Association's expense) Declarant's records pertaining to the design review procedure described in this Section 5.2 except as such records contain any Tenant's proprietary or confidential information. Nothing in this Section 5.2.9 shall be deemed to impose on Declarant the obligation to keep detailed records of the procedures or to keep design review records separate from its records pertaining to individual Tenants.

SECTION 6 PROPERTY USE AND RESTRICTIONS

6.1 Landscaping and Maintenance. Each Tenant shall maintain in good condition the property leased by such Tenant, and the Improvements thereon, at such Tenant's expense. Each Tenant shall comply with all laws, statutes, regulations, ordinances and rulings of all governmental bodies having jurisdiction over the portion of the Property leased by the Tenant including, but not by way limitation, all laws, statutes, regulations, ordinances and rulings relating to the use and condition of the buildings and other facilities on that portion of the Property leased by the Tenant. Required maintenance and repair shall include without limitation (i) maintenance of all parking areas, private drives, curbs, and walkways in accordance with this Declaration and in a clean and safe condition, including cleaning, repairing, and restriping as often as is necessary; (ii) maintenance of landscaping in an attractive, neat, orderly, trimmed, and cut condition at all times, free of

brush, weeds, and debris; (iii) cleaning, maintenance, and relamping of any external lighting fixtures; (iv) maintenance of exteriors of buildings in an attractive and neat condition at all times; and (v) maintenance in conformance with the Design Standards. In the event any Improvement on any property leased by a Tenant is damaged or destroyed, the Tenant leasing such property shall promptly either restore the Improvement in accordance with the terms of Section 5 of this Declaration or remove the remains of the Improvement from the Property and restore the Tenant's leased land to a safe and attractive condition. Declarant shall plant or seed the unleased Parcels (excluding the Parcels included in the Common Areas) with agricultural grasses which shall be mowed as often as is reasonably necessary or plowed. If the Board determines that maintenance and repairs are not conducted as required pursuant to this Declaration, the Association may conduct the necessary repairs or maintenance as provided in Section 8.

6.2 Signs. All signs on the Property shall comply with the Design Standards.

6.3 Offensive Activities. No noxious or offensive activity shall be performed on the Property, nor shall anything be done or placed upon any portion of the Property which interferes with or jeopardizes enjoyment of other portions of the Property or the Common Areas.

6.4 Rubbish and Trash. No part of the Common Areas shall be used as a dump for trash or rubbish of any kind. All garbage and other waste on the Property shall be kept in appropriate sanitary containers for proper disposal and out of public view. In the event a Tenant fails to remove any trash, rubbish, or other waste materials from the Property (or from any street or the Common Areas if deposited thereon by such Tenant) within five days after notice from the Association, the Association may have such waste removed and charge the expense of such removal to the Tenant as provided in Section 8.

6.5 Improvements in the Common Area. No Improvement of any type shall be erected or maintained by any Tenant so as to trespass or encroach upon the Common Areas. Declarant shall have the authority to erect or to authorize the Board or a Tenant to erect Improvements on the Common Areas so long as such Improvements do not unreasonably interfere with the function of the area. Such authorization of Declarant shall not be unreasonably withheld.

6.6 Air Quality. No Tenant shall allow any violation of any State of Oregon Department of Environmental Quality air pollution control regulation on that portion of the Property leased by the Tenant. No open burning shall be permitted on the Property.

6.7 Water Quality. No Tenant shall dispose of nor shall any Tenant suffer or allow the disposal of liquid waste in, on or under the Property, into adjacent drainage ditches, or in, on or under any portion of any property adjacent to the Property. No Tenant shall discharge nor shall any Tenant allow or suffer the discharge of treated or untreated sewage or other materials into the sanitary sewer system of the Property unless it is in conformance with all applicable laws, codes and ordinances.

6.8 Noise, Odor, Heat and Glare. All Tenants shall be responsible for compliance with the State of Oregon Department of Environmental Quality and City of Portland laws, rules, regulations and ordinances relating to noise levels. No objectionable noise, odor, heat or glare which is detectable beyond the Property shall be allowed.

6.9 Vibration. No vibration which is discernible without the aid of instruments shall be permitted beyond the boundary of the Property except for vibrations associated with highway vehicles and aircraft.

6.10 Waste Materials. All materials, including waste materials, shall be stored in a manner which will not attract or aid in the propagation of insects, birds, and/or rodents or in any way create a health hazard.

6.11 Hazardous Materials. All flammable or explosive material used in connection with any business operated on the Property shall be stored and handled in a manner so as to prevent its leakage, escape, or discharge. Storage of all such materials shall be in accordance with all applicable laws, ordinances, rules and regulations, including, but not limited to, the rules of the Oregon State Fire Marshall and the National Fire Protection Association. No Hazardous Materials shall be generated, released, stored or deposited over, beneath, or on the Property from any source whatsoever by any Tenant or Occupant of the Property without the prior written consent of Declarant, which consent may be withheld in the sole discretion of Declarant, except for de minimis uses of Hazardous Materials by a Tenant or Occupant which are customary in or incidental to the business conducted by the Tenant or Occupant on the Property, which uses shall be in strict conformance with all applicable governmental laws, ordinances, rules and regulations. Each Tenant covenants that it shall indemnify, hold harmless and defend Declarant from any and all claims, losses, damages and response costs and expenses arising out of or in any way relating to the generation, release, storage or deposit of any Hazardous Material on, in, or under the Property by the Tenant or its successors, assigns, agents or employees, including but not limited to, (a) claims of third parties, including governmental agencies, for damages, response costs, injunctive or other relief; (b) the cost, expenses or losses to Declarant resulting from any injunctive relief, including preliminary or temporary injunctive relief, applicable to Declarant or the Property; (c)

the expense, including fees of attorneys and experts, of reporting the existence of hazardous substances or hazardous waste to any agency of the State of Oregon or the United States as required by applicable laws and regulations; (d) any and all expenses or obligations, including attorneys' fees, incurred at, before and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' fees, witness fees, (expert and otherwise), deposition costs, photocopying and telephone charges and other expenses, all of which shall be paid by the Tenant when accrued.

SECTION 7 COMMON AREAS

Declarant owns fee simple title to the Common Areas and shall continue to own fee simple title to the Common Areas until Declarant sells or otherwise divests its interest therein. Declarant and every Tenant and Occupant, and all invitees and guests of Declarant, the Tenants and Occupants, shall have a nonexclusive license to use and enjoy the Common Areas, except that with respect to the Landscape Strips Declarant and every Tenant and Occupant, and all invitees and guests of Declarant, the Tenants and Occupants, shall have a nonexclusive easement solely for conducting the necessary maintenance, repair, and replacement of the Improvements on the Landscape Strips. Such license on the Common Areas is not and shall not become an interest or estate in the Property. Such license on the Common Areas excluding the Landscape Strips shall be subject to the Association's right to promulgate reasonably uniform rules and regulations governing the use of the Common Areas. The Association shall maintain and repair the Common Areas, subject to the Tenants' and Declarant's obligations to pay their allocable shares of the cost of such maintenance and repair in accordance with Section 4. The Association shall keep and maintain all ditches in a clean and safe condition, free of debris and noxious weeds and in a natural state with native vegetation and habitat. The Association shall plant or seed all other portions of the Common Areas (except for the Landscape Strips) with agricultural grasses which shall be plowed or mowed as often as is reasonably necessary; provided, however, that Parcel 5 shall be planted or seeded reasonably soon after any plowing. Prior to December 31, 1989, each portion of the Common Areas in the first Phase (excluding the Landscape Strips) shall be in the foregoing condition applicable to each such portion of the Common Areas. The Landscape Strips shall be kept and maintained in conformance with the standards for landscaping maintenance of the Parcels adjacent to the Landscape Strips, as set forth in the Design Standards. The Association shall not have the responsibility to maintain the Landscape Strips or pay for such maintenance until the initial landscaping on the Landscape Strips is completed in conformance with the standards for the Parcels adjacent to the Landscape Strips, as set forth in the Design Standards. Declarant shall provide such initial landscaping along International Parkway and Alderwood Way.

Declarant shall not add to the Common Areas any property which has Hazardous Materials incorporated therein beyond levels acceptable under applicable governmental regulations. The mere existence of Hazardous Materials in or on property shall not preclude the addition of such property to the Common Areas, but if the Hazardous Materials exist in or on the property at levels beyond acceptable governmental limits, the Hazardous Materials must be reduced to or below the applicable governmental limits prior to the addition of such property to the Common Areas. In the event any portion of the Common Areas is taken by condemnation or by sale in lieu thereof, Declarant shall be entitled to receive the entire award resulting therefrom.

SECTION 8 RIGHT OF ENTRY AND EASEMENTS

8.1 Right of Entry. Declarant or the Association, and any representative of either of the foregoing shall have the right to enter upon any leased parcel within 30 days after notice to the Tenant of the leased parcel (i) to clean or maintain landscaping, parking areas, driveways, exterior lighting fixtures, and buildings; (ii) to enforce the provisions of Section 6 if the Tenant of the leased parcel in question does not do so as required by this Declaration; (iii) to correct or repair any deficiency in compliance with or failure to comply with the Design Standards; or (iv) for any other purpose permitted under this Declaration. The Tenant of the leased parcel shall reimburse the Association (or Declarant if Declarant incurs the expenses) for any expenses incurred in connection with any action described in the clauses (i), (ii) or (iii) of the preceding sentence upon billing of the same plus ten percent of such expense for administrative expenses, together with interest thereon from the date of the expenditure until paid in full. Such interest shall be at a rate per annum equal to to the lesser of (a) the maximum rate permitted by law, or (b) seven percentage points in excess of the average discount rate of three-month treasury bills as reported by the Federal Reserve Bank of New York at the first weekly auction held during the calendar month on the date of billing. If the rates described in clauses (a) and (b) of the foregoing sentence are not available, then Declarant shall reasonably set a substitute rate. If the Tenant fails to reimburse the Association within ten days after the Association's billing, the Association may impose a lien against the leased parcel as provided in Section 4.4 or the Association may pursue any other remedy available at law or in equity. If the Tenant fails to reimburse Declarant within ten days after Declarant's billing, the Tenant shall be in default of this Declaration and the Association or Declarant may pursue all rights and remedies available to it under this Declaration, at law or in equity. No entry on any leased parcel pursuant to this Section 8 shall be deemed a trespass or otherwise create any right of action in the Tenant or Occupant of such leased parcel.

8.2 Easement Over Parcels. At the request of Declarant or a Tenant, Declarant and the Tenants shall grant nonexclusive

utility easements for the benefit of the requesting party over the Parcels in accordance with this Section 8.2:

8.2.1 The easement and right of way over a Parcel shall be for the purpose of installing, maintaining, repairing, and replacing public utility lines, services, and facilities reasonably necessary to serve conveniently all or any of the Parcels. The precise location of the easement and right of way shall be subject to the prior approval of the existing Tenant of the Parcel to be burdened by such easement (or Declarant if such Parcel is at such time unleased) (herein the "Servient Tenant") which approval will not be unreasonably denied or withheld. It shall be reasonable for the Servient Tenant to withhold its approval of any proposed location which would be underneath a building which such Servient Tenant intends to construct. Failure of any Servient Tenant to disapprove in writing the requested location of an easement, stating the reasons for such disapproval, within twenty (20) days after receipt by the Servient Tenant of a written request for such approval (which request shall be accompanied by a legal description, sketch or other documentation sufficient to locate the easement with particularity) shall be deemed to be the approval of the Servient Tenant and the granting of the easement. In connection with any installation, maintenance, repair or replacement of public utility lines, services or facilities, (a) the Tenant of the Parcel benefitted by the same (or Declarant if such Parcel is at such time unleased) (herein the "Dominant Tenant") shall be responsible for payment of all costs and expenses associated therewith, (b) all such activities shall be carried out so as not to unreasonably interfere with the use or enjoyment by any Servient Tenant of its Parcel, (c) the Dominant Tenant shall indemnify and hold harmless all Servient Tenant(s) of and from all losses, costs, and expenses incurred by such Servient Tenant(s) arising out of or in any way connected with such activities, (d) the Dominant Tenant shall furnish the Servient Tenant(s) with evidence of liability insurance coverage with respect to all such activities, which insurance shall be in amounts then commercially reasonable and shall be written by an insurance company reasonably acceptable to the Servient Tenant(s), and (e) the Dominant Tenant shall restore the Servient Tenant's Parcel to its original condition promptly after the Dominant Tenant finishes its activities on the Servient Tenant's Parcel. In the event that the use of any easement granted under this Declaration results in any ad valorem property tax liability to Declarant, the Tenant or Tenants benefitted by such easement shall pay all ad valorem property taxes arising therefrom, when and as due.

8.2.2 A Servient Tenant, from time to time, may cause such utility lines, services, and facilities and the easement therefor to be relocated, if the existing location of such utility and easement unreasonably interferes with such Servient Tenant's existing or anticipated use of the Parcel burdened by the easement, provided that (a) the Servient Tenant seeking to

relocate the easement and utility gives to any affected Dominant Tenant(s), not less than twenty (20) days prior written notice of the Servient Tenant's intention to relocate the same, (b) the Servient Tenant shall be responsible for payment of all costs and expenses associated with such relocation, (c) all utility relocation activities shall be carried out so as not to unreasonably interfere with the use or enjoyment by any Dominant Tenant of its Parcel, (d) the Servient Tenant shall indemnify and hold harmless all Dominant Tenant(s) of and from all losses, costs, and expenses incurred by such Dominant Tenant(s) arising out of or in any way in connection with such relocation, and (e) the Servient Tenant shall furnish the Dominant Tenant(s) with evidence of liability insurance coverage with respect to all utility relocation activities, which insurance shall be in amounts then commercially reasonable and shall be written by an insurance company reasonably acceptable to the Dominant Tenant(s).

SECTION 9 GENERAL PROVISIONS

9.1 Duration. These covenants, conditions, and restrictions shall run with and bind, benefit, and burden the Property, Declarant, all Tenants and all Occupants, and the lessees, invitees, and guests of all Tenants and Occupants until December 31, 2063 unless extended by Declarant as follows: Declarant shall have the right to renew this Declaration for an unlimited number of successive five-year periods by recording a notice to that effect in the real property records of Multnomah County, Oregon prior to December 31, 2063 or the expiration date of the following renewal period.

9.2 Severability. In the event any provision of this Declaration is determined to be invalid or unenforceable, that determination shall not affect the validity or enforceability of any other provision or of the same provision to a different situation.

9.3 Amendment.

9.3.1 Generally. Prior to the date the first Lease is executed by Declarant, this Declaration may be amended at any time and from time to time by Declarant, pursuant to the terms of this Declaration. Supplemental declarations adding property to this Declaration as described above do not constitute amendments under this Section 9.3.

9.3.2 Procedure. After the first Lease is executed by Declarant, this Declaration may be amended only upon the affirmative vote of two-thirds or more of the Board; provided however, that (a) Exhibits A and B and the following Sections of this Declaration shall not be amended without the prior written consent of Declarant: 1, 2, 3.1, 3.2, 3.3, 4, 5, 6.1, 6.11, 8.1, 9.1, 9.3, 9.4, and 9.6, and (b) during the term of the Master Agreement dated October 12, 1988 between Declarant and

Koll-Pacific Portland International Center, a joint venture, this Declaration may not be amended in any material respect as it applies to Phases 1 and 2 (as that term is defined in such Master Agreement), without the prior written consent of Koll-Pacific Portland International Center, which consent shall be exercised by Koll-Pacific Portland International Center in its commercially reasonable judgment.

9.3.3 Institutional Lender Protection Provision. No amendment made to Section 9.12 or Section 4.6 which is adverse to the interest of any Institutional Lender which holds a first lien on any leasehold interest in a Parcel as of the date of the amendment shall bind any such Institutional Lender unless such Institutional Lender (i) was given notice of such amendment and (ii) gives its written approval thereof.

9.3.4 Tenant Voting Rights. Any amendment pursuant to this Section 9.3 of Sections 1, 2, 3.1, 3.2, 3.3, 4, 9.1, 9.3, 9.4 or 9.6 or Exhibit A or Exhibit B shall be effective unless written notices objecting to any such amendment signed by Designated Voters or Declarant representing at least two-thirds of Tenant votes are received by the Secretary within 30 days after written notice is given to the Tenants and Declarant of such amendment. For purposes of such voting, each Tenant shall have one vote for each 10,000 square feet of land leased pursuant to a Lease and Declarant shall have one vote for each 10,000 square feet of land comprising the unleased Parcels (excluding Parcel 4 until Parcel 4 is leased and excluding all Parcels in the Common Areas). There shall be no fractional votes. Only Declarant and Designated Voters shall have the right to vote.

9.3.5 Recording. All amendments to this Declaration shall be recorded in the real property records of Multnomah County, Oregon.

9.3.6 Notice to Designated Voters. The Secretary shall deliver or send by mail to each Designated Voter at the address for notice given by such Designated Voter to the Secretary a copy of each amendment. Any lack of receipt of such notice by any Designated Voter, however, shall not invalidate the effectiveness of the amendment.

9.4 Enforcement. Declarant and/or the Association shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens, and charges now or hereinafter imposed pursuant to any provision of this Declaration by any appropriate proceeding at law or in equity. Any remedies specifically provided herein are nonexclusive and cumulative and are in addition to all other remedies available to Declarant and the Association at law or in equity. Any Tenant shall have the right to petition any court of competent jurisdiction to require specific performance of any provisions of this Declaration.

9.5 Non-Waiver. Any failure of the Association or of Declarant to enforce a covenant, condition, or restriction contained in this Declaration shall not be deemed to constitute a waiver of the Association's right or of Declarant's right to enforce that or any other covenant, condition, or restriction contained in this Declaration.

9.6 Waiver of Damages. Declarant shall not be liable to any Tenant or Occupant or to any other person for its enforcement or failure to enforce any provision of this Declaration except as arising from Declarant's bad faith. Each Tenant and Occupant, by acquiring such Tenant's or Occupant's interest in the Property or by occupying any portion of the Property, agrees not to bring any action or suit against Declarant to recover any such damages or to seek any other relief, except specific performance as provided in Section 9.4 or except as arising from or Declarant's bad faith, by reason of any such enforcement or failure to enforce any provision of this Declaration. Each Tenant and Occupant shall and does, by entering into a Lease or occupying any portion of the Property, agree to defend, indemnify, and hold harmless Declarant from any claim, loss, damage, cost, or expense (including without limitation reasonable attorneys' fees) arising out of the use, operation, ownership, occupancy, or condition or state of repair of that portion of the Property leased by such Tenant or occupied by such Occupant, except to the extent caused by Declarant's negligent or intentionally wrongful acts or omissions.

9.7 Constructive Notice and Acceptance. By the recording of this Declaration, each Tenant and Occupant shall be deemed to have consented and agreed to every term, covenant, condition, and restriction contained herein.

9.8 Joint and Several Liability. If a Tenant consists of more than one person or entity, each of such persons and entities shall be jointly and severally liable for any assessment or charge and for the performance of any other obligation imposed pursuant to this Declaration.

9.9 Captions. The captions and headings of sections herein are for convenience only and are not intended in any way to define, limit, or describe the scope or intent of any section of this Declaration.

9.10 Notices. All notices under this Declaration shall be in writing. Any such notice shall be deemed effective on the earlier of the date of delivery or, if mailed, three business days following the date of mailing, if addressed to the addressee at the address, if any, designated in the Association's records.

9.11 Attorneys' Fees. In the event suit, action or other legal proceeding shall be instituted to declare, enforce, or interpret any term of this Declaration, the prevailing party therein shall be entitled to recover from the losing party the

costs and disbursements provided by statute, and any other sum as the court may adjudge reasonable as attorneys' fees, at trial and on any appeal.

9.12 Protection of Rights of Mortgagees. No breach of the provisions or restrictions in this Declaration shall defeat or render invalid the lien of any Mortgage(s) now or hereafter executed upon any Parcel subject to this Declaration; provided, however, that if any portion of the leasehold estate in the Parcel is sold under foreclosure of any Mortgage(s) or upon any assignment or conveyance in lieu of foreclosure, any purchaser at such sale or assignee or transferee, and its successors and assigns, shall hold any and all property so purchased subject to all of the provisions and restrictions of this Declaration.

9.13 Exhibits. Exhibit A (Description of the Property), Exhibit B (Description of the Adjacent Property), Exhibit C (Map Depicting Common Areas Located on the Property and Designating the Parcels on the Property), and Exhibit D (Portland International Center Development Requirements and Standards) are attached to this Declaration and by this reference made a part hereof.

9.14 Disclaimer Statement for the Benefit of the City of Portland. This Declaration constitutes a private agreement among the Tenants and Declarant and will not be enforced by the City of Portland. This Declaration and the terms hereof have not been approved or disapproved by the City and do not restrict the City's authority to adopt or amend its development regulations. There may be conflicting requirements between this Declaration and the City's regulations. The City will limit its review of a development application and the issuance of permits to the requirements of its regulations and any conditions of approval. It is the duty of every person engaged in development within Portland International Center to know the requirements of this Declaration. In the event there is a conflict between a City regulation and this Declaration, any question regarding this Declaration shall be directed to the Association. The City will not be liable for any approvals or permits which are granted in compliance with City regulations, but which are not in compliance with this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration on this 16th day of February, 1989.

THE PORT OF PORTLAND

By Robert H. Woodell

Its EXECUTIVE DIRECTOR

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me this 16th day of February, 1989 by Robert H. Woodell, as Executive Director of The Port of Portland, a port district, on behalf of The Port of Portland.

Shirley J. Jackson
Notary Public for Oregon
My Commission Expires 3-7-90

29/12/0244/19

APPROVED AS TO LEGAL SUFFICIENCY:

M B Playfair
M. Brian Playfair
General Counsel

EXHIBIT A

BOOK 2180 PAGE 226

Description of the Property

A TRACT OF LAND IN THE GEORGE M. LONG D.L.C.,
TOMAS CULLY D.L.C., HENRY HARGRIEVE D.L.C. AND
SECTIONS 9 AND 16 T1N R2E, W.M., MULTNOMAH COUNTY,
OREGON. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, WHICH IS A 2" X
36" GALVANIZED IRON PIPE, SAID POINT IS S89°40'58"E,
265.99 FEET AND S0°05'45"E 216.35 FEET FROM THE
NORTHWEST CORNER OF SAID SECTION 16; THENCE FROM SAID
INITIAL POINT 629.96 FEET ALONG THE ARC OF A 520.00
FOOT RADIUS CURVE, THROUGH A CENTRAL ANGLE OF 69°24'40" TO THE RIGHT (WHICH
CHORD BEARS N34°36'35"E, 592.13 FEET); THENCE N69°18'55"E, 254.63 FEET;
THENCE 450.33 FEET ALONG THE ARC OF A 640.00 FOOT RADIUS CURVE, THROUGH A
CENTRAL ANGLE OF 40°18'55" TO THE LEFT (WHICH CHORD BEARS N49°09'28"E,
441.09 FEET); THENCE N29°00'00"E, 504.86 FEET; THENCE N35°50'33"E, 80.34
FEET; THENCE 65.55 FEET ALONG THE ARC OF A 160.00 FOOT RADIUS CURVE THROUGH
A CENTRAL ANGLE OF 23°28'25" TO THE RIGHT, (WHICH CHORD BEARS N47°34'46"E,
65.09 FEET); THENCE S65°18'20"E, 1055.35 FEET; THENCE S61°00'00"E, 640.00
FEET; THENCE S29°00'00"W, 531.24 FEET; THENCE S35°05'23"W, 100.00 FEET;
THENCE 156.61 FEET ALONG THE ARC OF A 650.00 FOOT RADIUS CURVE, THROUGH A
CENTRAL ANGLE OF 13°48'18" TO THE RIGHT (WHICH CHORD BEARS S48°00'29"W,
156.23 FEET); THENCE S41°06'20"E, 267.55 FEET; THENCE S48°53'40"W, 325.00
FEET; THENCE S10°00'00"W, 310.00 FEET; THENCE S85°10'40"W, 111.67 FEET;
THENCE N72°00'00"W, 105.00 FEET; THENCE N78°00'00"W, 200.75 FEET; THENCE
S29°00'00"W, 1398.55 FEET; THENCE N58°46'20"W, 240.00 FEET; THENCE 175.69
FEET ALONG THE ARC OF AN 815.00 FOOT RADIUS CURVE, THROUGH A CENTRAL ANGLE
OF 12°21'05" TO THE RIGHT (WHICH CHORD BEARS N52°35'48"W, 175.35 FEET);
THENCE S43°34'45"W, 456.06 FEET; THENCE S13°49'30"W, 562.90 FEET; THENCE
N76°10'30"W, 566.90 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND
AVE.; THENCE N0°05'45"W ALONG THE EASTERLY LINE OF SAID 82ND AVE., 2134.35
FEET; THENCE N4°04'20"E, 104.38 FEET; THENCE S89°54'15"W, 19.13 FEET;
THENCE N0°05'45"W, 136.89 FEET TO THE POINT OF BEGINNING.

Exhibit D
EXHIBIT B

Description of Adjacent Property BOOK 2180 PAGE 227

DESCRIPTION - PARCEL 1

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16, THENCE S89°40'58"E, 206.05 FEET; THENCE S0°05'45"W 2842.75 FEET; THENCE N89°54'15"E 71.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING, ALONG THE CENTERLINE OF "THE COLUMBIA SLOUGH" S76°10'30"E 554.50 FEET; THENCE S76°16'59"E CONTINUING ALONG SAID SLOUGH 632.71 FEET; THENCE LEAVING SAID SLOUGH S54°43'36"W 124.57 FEET; THENCE S0°08'56"E 414.93 FEET TO THE CENTERLINE OF THE "LITTLE SLOUGH"; THENCE N89°56'49"W 137.71 FEET; THENCE N74°57'39"W 131.62 FEET; THENCE N65°40'29"W 232.52 FEET; THENCE LEAVING THE SAID "LITTLE SLOUGH ON A 1347.39 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 23°04'48" TO THE LEFT, WHICH CHORD BEARS S43°02'15"W 543.10 FEET, AN ARC DISTANCE OF 546.78 FEET; THENCE S0°08'55"E PARALLEL TO THE WEST LINE OF THE G.M. LONG D.L.C., 502.89 FEET TO THE EASTERLY RIGHT-OF-WAY OF SAID 82ND AVE.; THENCE N34°09'47"W ALONG SAID RIGHT-OF-WAY 283.64 FEET; THENCE N4°38'47"W 443.50 FEET; THENCE N0°02'47"W 241.80 FEET; THENCE N89°57'13"W 10.00 FEET; THENCE N0°06'45"W 620.65 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 18.060 ACRES. SUBJECT TO A SEWER EASEMENT.

DESCRIPTION - PARCEL 2

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16; THENCE S89°40'58"E 206.50 FEET; THENCE S0°05'45"E 440.79 FEET; THENCE N89°54'15"E 72.67 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE N89°54'15"E 77.34 FEET; THENCE ON A 600.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 85°00'00" TO THE RIGHT, WHICH CHORD BEARS S47°35'45"E 810.71 FEET, AN ARC DISTANCE 890.12 FEET; THENCE S5°05'45"E 349.60 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 53°40'38" TO THE LEFT, WHICH CHORD BEARS S31°56'04"E 776.54 FEET, AN ARC DISTANCE OF 805.69 FEET; THENCE S58°46'23"W 901.54 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 30°00'00" TO THE LEFT, WHICH CHORD BEARS S73°46'23"E 445.17 FEET, AN ARC DISTANCE OF 450.30 FEET; THENCE S88°46'23"E 304.49 FEET; THENCE S1°13'37"W 160.20 FEET; THENCE S11°28'52"W 263.88 FEET; THENCE ON A 2,839.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 2°58'08" TO THE RIGHT, WHICH CHORD BEARS S12°57'56"W 147.14 FEET, AN ARC DISTANCE OF 147.15 FEET TO CENTERLINE OF THE COLUMBIA SLOUGH; THENCE ALONG THE CENTERLINE OF SAID SLOUGH THE FOLLOWING COURSES, N87°07'07"W 356.24 FEET; THENCE S89°57'42"W 285.57 FEET; THENCE N84°10'20"W 146.80 FEET; THENCE N75°09'20"W 155.86 FEET; THENCE N70°14'19"W 466.33 FEET; THENCE N76°16'59"W 632.71 FEET; THENCE N76°10'30"W 554.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF SAID 82ND AVE.; THENCE LEAVING SAID SLOUGH N0°05'45"W ALONG SAID RIGHT-OF-WAY 2,185.86 FEET; THENCE N4°04'20"E, CONTINUING ALONG SAID RIGHT-OF-WAY, 16.03 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 68.804 ACRES.

DESCRIPTION - PARCEL 3

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16; THENCE S89°40'58"E 208.05 FEET; THENCE S0°05'45"E 440.79 FEET; THENCE N89°54'15"E 72.67 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING COURSES N4°04'20"E 165.82 FEET; THENCE ON AN OFFSET SPIRAL CURVE TO THE RIGHT WITH CENTERLINE VALUES OF, LENGTH 200 FEET, S=30°00'00" AND A = 15), WHICH HAS A CHORD THAT BEARS N13°24'29"E 175.32 FEET, AN ARC DISTANCE OF 177.38 FEET; THENCE ON A 177.83 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 56°15'03" TO THE RIGHT, WHICH CHORD BEARS N62°11'39"E 167.66 FEET, AN ARC DISTANCE OF 174.59 FEET; THENCE N89°40'58"W 202.59 FEET; THENCE N0°05'45"W 80.00 FEET; THENCE N89°40'58"W 11.50 FEET; THENCE N0°05'45"W 1,930.43 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF N.E. AIRPORT WAY; THENCE LEAVING THE RIGHT-OF-WAY OF SAID 82ND AVE. S61°00'00"E ALONG THE RIGHT-OF-WAY OF SAID AIRPORT WAY 5,831.08 FEET; THENCE ON A 2,804.90 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 9°29'25" TO THE RIGHT, WHICH CHORD BEARS S56°15'18"E 464.06 FEET, AN ARC DISTANCE OF 464.59 FEET; THENCE S61°30'35"E 757.68 FEET TO THE RIGHT-OF-WAY FOR THE I-205 INTERCHANGE; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY THE FOLLOWING COURSES S24°56'41"E 73.79 FEET; THENCE S52°35'21"E 190.03 FEET; THENCE S37°57'11"E 164.69 FEET; THENCE S23°16'20"E 306.47 FEET; THENCE S5°54'32"E 268.96 FEET; THENCE S30°38'29"W 306.96 FEET; THENCE S42°52'00"W 250.00 FEET; THENCE S36°01'26"W 251.79 FEET; THENCE S42°52'00"W 171.34 FEET; THENCE N0°02'48"W 84.19 FEET; THENCE S89°57'12"W 60.00 FEET; THENCE S0°02'48"E 100.00 FEET; THENCE S89°57'12"W 117.00 FEET; THENCE S0°02'48"E 40.00 FEET; THENCE N89°57'12"E 26.06 FEET; THENCE S47°08'00"E 15.58 FEET; THENCE S42°52'00"W 582.42 FEET TO THE SOUTHERLY BOUNDARY OF BLOCK 110 IN THE PLAT OF PARKROSE; THENCE LEAVING SAID RIGHT-OF-WAY N85°11'47"W 16.15 FEET ALONG THE SOUTHERLY BOUNDARY OF SAID BLOCK 110; THENCE CONTINUING THE FOLLOWING COURSES N87°31'48"W 250.80 FEET; THENCE N85°51'54"W 257.93 FEET; THENCE N69°09'48"W 174.87 FEET; THENCE N60°02'48"W 500.10 FEET TO THE EAST LINE OF THE G.M. LONG D.L.C.; THENCE S0°08'21"E 14.69 FEET TO THE NORTHERLY BANK OF THE COLUMBIA SLOUGH AS LAID OUT IN THE PLAT OF LEGGS GARDEN TRACTS; THENCE ALONG SAID BANK THE FOLLOWING COURSES N77°25'14"W 348.48 FEET; THENCE N80°18'44"W 182.71 FEET; THENCE N71°49'14"W 168.60 FEET; THENCE N77°15'44"W 173.42 FEET; THENCE N77°38'14"W 183.36 FEET; THENCE N82°19'14"W 190.70 FEET; THENCE N83°45'14"W 190.11 FEET; THENCE N83°21'14"W 210.23 FEET TO THE CENTERLINE OF S.E. 92ND DRIVE AND LEAVING THE NORTHERLY BANK OF SAID SLOUGH; THENCE ON A 2,864.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 1°25'23" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS S13°38'10"W 71.16 FEET, AN ARC DISTANCE OF 71.16 FEET; THENCE N87°07'07"W 25.51 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID N.E. 92ND DRIVE; THENCE ON A 2,839.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 2°58'08" TO THE LEFT WHICH HAS A CHORD THAT BEARS N12°57'56"E 147.14 FEET, AN ARC DISTANCE OF 147.15 FEET; THENCE N11°28'52"E 263.88 FEET; THENCE N1°13'37"E 160.20 FEET; THENCE N88°46'23"W 304.49 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 30°00'00" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS N73°46'23"W 445.17 FEET, AN ARC DISTANCE OF 450.30 FEET; THENCE N58°46'23"W 901.54 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 53°40'38" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS N31°56'04"W 776.54 FEET, AN ARC DISTANCE OF 805.69 FEET; THENCE N5°05'45"W 349.60 FEET; THENCE ON A 600.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 85°00'00" TO THE LEFT, WHICH HAS A CHORD THAT BEARS N47°35'45"W 810.71 FEET; AN ARC DISTANCE OF 890.12 FEET; THENCE S89°54'15"W 77.34 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 423.975 ACRES. SUBJECT TO UTILITY EASEMENTS.

BOOK 2180:201 229

PORTLAND INTERNATIONAL CENTER P.U.D.

LOTS 1 THRU 14

BOOK 2180:201 230

SW 1/4 SECTION 9 & NW 1/4 SECTION 16 T.1N. R.2E. W.M.

MULTNOMAH COUNTY

OREGON
SEPTEMBER, 1988

SCALE 1" = 200'

EXHIBIT C
Map Depicting Common Areas
located on the Property and
Designating the Parcels on the
Property

LAYNE
CASWELL
Registered Land Surveyor
No. 1232 State of Oregon
1100 Oregon Street, N.E.

I CERTIFY THAT THIS IS AN EXACT
COPY OF THE PLAT OF "PORTLAND
INTERNATIONAL CENTER" LOTS 1 THRU 14.

Allen Thayer

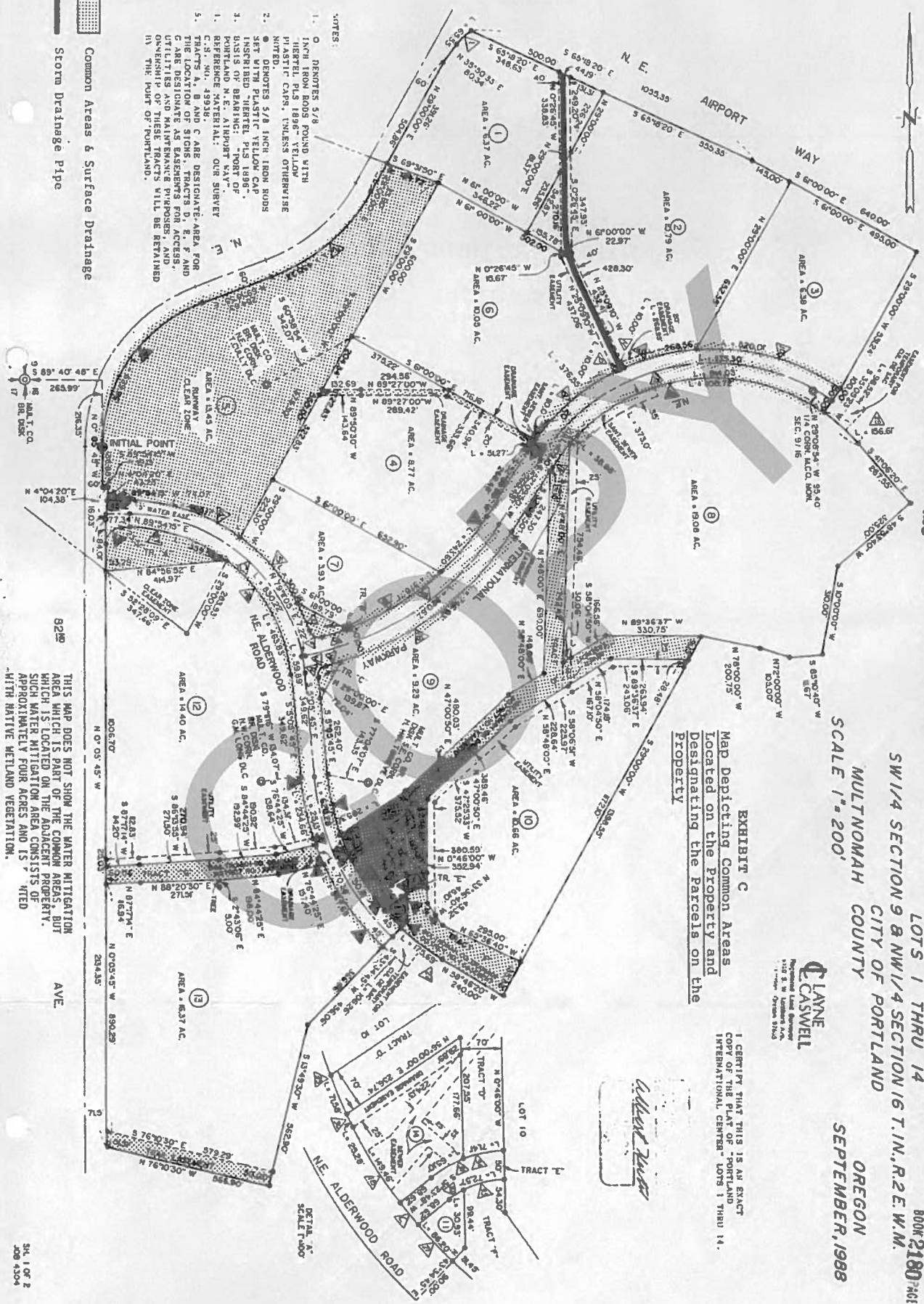
- NOTES:
1. O DENOTES 5/8 INCH IRON RODS FOUND WITH PLASTIC CAPS. OTHERS OTHERWISE NOTED.
 2. DENOTES 5/8 INCH IRON RODS SET WITH PLASTIC YELLOW CAPS INSCRIBED "NORTON" PLUS 1988.
 3. BASIS OF BEARING: POINT OF BEGINNING.
 4. REFERENCE MATERIAL: OUR SURVEY C.S. NO. 43938.
 5. TRACTS A, B AND C ARE DESIGNATE-AREA FOR C ARE DESIGNATE AS EASEMENTS FOR ACCESS, UTILITIES AND MAINTENANCE PURPOSES, AND OWNERS THEREOF WILL BE RETAINED IN THE PART OF PORTLAND.

Common Areas & Surface Drainage
Storm Drainage Pipe

THIS MAP DOES NOT SHOW THE WATER MITIGATION AREA WHICH IS PART OF THE COMMON AREAS, BUT WHICH IS LOCATED ON THE ADJACENT PROPERTY. SUCH WATER MITIGATION AREA CONSISTS OF APPROXIMATELY FOUR ACRES AND IS VETED WITH NATIVE WETLAND VEGETATION.

AVE.

S&L 107 2
JOB 4304



PORTLAND INTERNATIONAL CENTER
AT
PORTLAND INTERNATIONAL AIRPORT

DEVELOPMENT REQUIREMENTS AND STANDARDS

PORT OF PORTLAND
REAL ESTATE MANAGEMENT AND DEVELOPMENT
FEBRUARY 1989

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INTRODUCTION

These Development Requirements and Standards have been prepared to ensure that the highest quality site planning, architecture, engineering, and landscaping are developed and maintained throughout the Portland International Center. The intent of the Port of Portland is to encourage creativity and quality in design which will enhance all future development. The Port considers these standards to be minimal, assuming firms locating in the Center will wish to do the finest possible job in their own self-interest. The standards (Design, Performance, and Maintenance) will be enforced to ensure the long-term quality of development and maintenance of property values in the Center.

I. PLAN REVIEW

A. Policies

The following policies indicate the intent of the plan review process.

1. The development of sites in the Portland International Center shall conform to the standards of the Port of Portland (Port) and other appropriate governing bodies, including the City of Portland (City), Federal Aviation Administration (FAA), Multnomah Drainage District No. 1, (MDD1) Oregon Department of Environmental Quality (DEQ), U. S. Environmental Protection Agency (EPA), and possibly the U.S. Army Corps of Engineers (COE). (Relevant permit processes will be identified at the predesign/orientation meeting.)
2. The Port of Portland shall review all plans to ensure that development in the Center meets the requirements of the Port's Design Standards. The Port will evaluate the proposed plans based upon the intent of the standards, the available facts regarding the particular project, and the best interests of all concerned property owners. The review process considers the unique aspects of each of the tenant's requirements and is designed to assist individual tenants in following the proper procedures in order to avoid delay or inconveniences in the execution of plans. This review covers site planning, architecture, landscape architecture, signing, and exterior lighting for new construction, remodeling, alterations, or additions. Improvements to building interiors are not subject to these Design Standards except for significant changes in the type of use, or to the extent the interior is highly visible from the exterior (such as lobby areas).

3. All plan reviews will consider two distinct areas:
 - a. A review of conformance to the sections of the standards which outline detailed requirements such as setbacks, height, and other technical and engineering standards.
 - b. A review of subjective design elements such as architectural style, site layout, and landscaping. This review will help ensure compliance with the intent of the Port to provide and maintain quality development in the Center. It is not the Port's intent to dictate design features. Plans will be reviewed for compatibility with surrounding development, functional site design, distinctive architecture, the use of attractive exterior building materials, and landscaping which enhances the site.
4. If city, county, state, or federal code requirements conflict with the Port's interpretation of these standards, the more restrictive requirements shall prevail.

B. Port Contact

All plans, and correspondence concerning submission of plans, for original construction, additions, or remodeling shall be directed to the Port of Portland's Land Development Manager.

C. Review Process

The review process for development within the Center is divided into the following steps:

1. Predesign/orientation meeting.
2. Preliminary plan review.
3. Final plan review.
4. City building permit review after final plan review.
5. Construction change review by the Port.
6. Record drawings provided to the Port.

The following sections discuss the process and the materials to be submitted for each step.

1. Predesign/orientation meeting.

A predesign and orientation meeting will be held by Port staff to present the Design Standards and review procedures. The purpose of the meeting is to ensure that the development process, from preliminary plans to building occupancy, goes as smoothly and quickly as possible. The site developer will also have the opportunity to discuss the design concept and specific issues affecting the particular site, and ask questions of Port staff concerning any aspect of the Development Requirements and Standards.

2. Preliminary plan review.

Preliminary plan review will focus on reaching agreement between the site developer and the Port on the design concept for the site. During the review period, Port staff will work with the design team to achieve a high quality and functional design concept. Resolution of specific site issues or concerns will be part of this review process.

There are two key submittal requirements for preliminary plan review. The first is for conceptual site and building plans. These plans should focus on the main site planning issues, such as approximate building footprint(s), the relationship among buildings on the site and to buildings on adjacent sites, access and parking, landscape and pedestrian circulation concepts, etc. The second requirement is for a project description which will include the types of uses envisioned for the site, the approximate number of employees, and approximate building, landscaping, and paved area calculations. (This description may be incorporated onto the drawings, if appropriate.)

Five copies of all preliminary plans and descriptions shall be submitted to the Port for review. All plans must be submitted at the same time. A meeting will be held with Port staff at the time of submittal to discuss the plans. Two copies will be returned with notations after the review is complete. The full length of the review period can be variable, depending upon the completeness of all required plans and the need for interaction between Port staff and the design team. If submittal requirements are met, the Port will review preliminary plans within ten working days.

Preliminary plans shall consist of the following:

- a. General drawing information including title, date, owner, architect, engineer, landscape architect, location, north arrow, and scale.
- b. Site plan(s), drawn to an appropriate scale which will clearly show:

- (1) The location and dimensions of property lines, street rights-of-way, easements, and setbacks (buildings, parking, etc.).
 - (2) Building location(s).
 - (3) Approximate driveway and curb cut locations and sizes, with arrows indicating vehicular traffic patterns into and out of the site, and to and from all loading and parking areas.
 - (4) Parking and loading area concept, including designated parking areas (employee, visitor, etc.), loading and delivery areas, maneuvering areas, and future parking expansion areas.
 - (5) The approximate location of sidewalks and pedestrian paths.
 - (6) Landscape concept indicating how the landscaping will be integrated with the overall site design. The general character ("deciduous trees," "lawn," etc.), height, and extent of proposed plant materials should be indicated, as well as the location of screening, berms, signage, lighting, etc.
 - (7) A diagrammatic concept for all utilities, including gas, electricity, telephone, water, and storm and sanitary sewers. The approximate location of transformers or other similar facilities should also be noted.
 - (8) Preliminary grading and site drainage information.
 - (9) The location, type, and size of any significant trees (1 1/2" caliper and larger) which would be removed from the site.
 - (10) Phasing concept (if appropriate)
- c. Generalized floor plans and conceptual drawings which indicate the scale of construction and the type of use for the building(s). At least one elevation concept drawing should show the relationship of proposed development to adjacent development, if any.
- d. An indication of proposed exterior wall and roof materials.

The purpose of final plan review is to examine and approve construction drawings (for each phase of a phased development project). All final plans shall be stamped approved by the Port before submittal to the City for building permits. Five copies (except as noted below) of the final plans shall be submitted to the Port. All required final plan material must be submitted at the same time. The review time will be extended if the submittal is incomplete.

The Port will review and approve plans which meet these Design Standards within ten working days of submittal. If the standards are not met, further work by the design team will be necessary before approval. When final plans are approved, three stamped copies will be returned to the developer to be used in obtaining the required permits.

Final plans shall consist of the following:

- a. General drawing information. (see preliminary plan review)
- b. Detailed site plan. Include the location and dimensions of property and parcelization lines, street rights-of-way, easements, setbacks, buildings, driveways, parking lots, circulation and loading areas, service and storage areas, and sidewalks and pedestrian paths.
- c. Grading plan.
- d. Complete architectural and civil engineering working drawings.
- e. Landscape and irrigation plans. Indicate the names of all trees, shrubs and groundcovers; planting sizes, locations, quantities, and spacings; tree sizes at maturity, irrigation, berms, and other typical landscape construction specifications. Note all existing trees on the site which will be retained and those which will be removed.
- f. Sign plans. Provide illustrations which include dimensions, materials, copy, footing details, lighting details, and location of all signs. Color samples shall also be provided.
- g. Underground or above-ground storage tank and piping system plans, if appropriate.
- h. Construction schedule for the purpose of coordinating Port and tenant construction activities. (One copy.)

- i. Construction specifications may be required for clarification by special Port request.
 - j. Exterior material color board. (One copy.)
 - k. A rendering of proposed buildings may be required for highly-visible or sensitive sites. (One copy only.)
 - l. A copy of all geotechnical analyses performed for the site.
4. City building permit review.

Only after completion of final plan review by the Port, may the developer submit the three stamped copies of the detailed construction plans to the City for building permits. It will be the responsibility of the developer to obtain all necessary City permits.

5. Construction change or review.

If changes are made to any Port approved construction plans during the City building permit review process (or as the result of any other governmental review process) the developer shall submit the part(s) of the plans that have been changed to the Port for approval. The Port will conduct inspections of the site during the construction period to determine conformance with the approved final plans. The developer or contractor will not be required to notify the Port for inspections.

6. Record drawings.

As-constructed drawings of all development on the site and all underground utilities within any required utility easement area shall be furnished to the Port no more than 30 days after final City of Portland Certificate of Occupancy permits are granted.

D. Variances

The Port recognizes that situations arise which may warrant modification to these standards. A written request for an exception shall be submitted to the Port's Land Development Manager, stating the reason for the request and the applicable section of the standards. The Port will evaluate each request and will notify the tenant, in writing, of the decision within ten working days.

If the variance request is determined to be in conformance with the PDX Eastside Master Plan Development Guidelines dated January 1988, the request will be approved. If not, the request may be approved only if it can be determined that: (1) enforcement of the standard in question would cause development constraints which would make the site significantly more difficult to develop than other sites subject to the same standards; (2) there would be no adverse impacts to adjacent existing development or to the provision of basic services to the Center and its tenants; and (3) the proposed variance meets the overall objectives of the PDX Eastside Master Plan and the objectives of the relevant section(s) of the plan.

Written findings addressing each of these three criteria will be included in the notice of approval. Reasonable conditions related to the variance may be required as part of the variance approval.

II. DESIGN STANDARDS

A. Zoning

The Design Standards should meet or exceed the requirements of the City of Portland zoning code. Since codes change periodically, it cannot be guaranteed that all City requirements have been met by conformance to these standards. All uses prohibited by City of Portland zoning shall likewise be prohibited at Portland International Center.

No trade, business, or activity shall be conducted at Portland International Center, nor shall anything be done which may be or may become a nuisance.

B. Site Planning

The site planning of individual lots within the Portland International Center is intended to reflect the general design concept which has been established for the park in the PDX Eastside Master Plan. Key elements of this concept which will be addressed in this section include open spaces, setback zones, water features, storm drainage, service and loading areas, vehicular access, circulation and parking, pedestrian circulation, and the preservation of existing significant vegetation. The PDX Eastside Master Plan establishes a land use and roadway hierarchy that dictates differing standards depending on location within the Center.

1. Open Space Requirements.

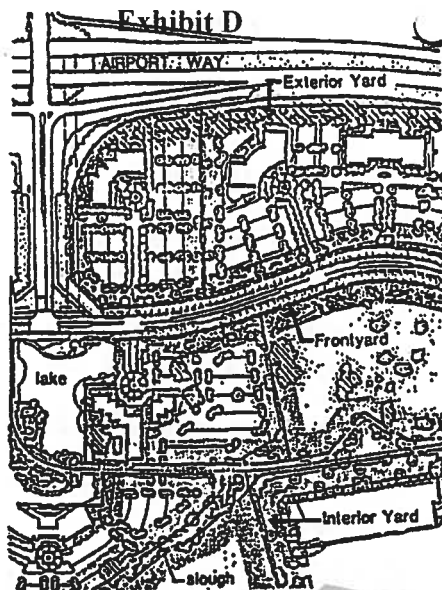
The minimum required open space by type of development for each phase shall be:

Light industrial/warehouse:	15%
1 and 2 story office and R&D/flex space	25%
3+ story office and restaurant	20%
Hotel	30%

Site plans for 3+ story office buildings will be carefully reviewed to determine if adequate landscaping and pedestrian areas are provided in relation to parking. In such cases, additional open space may be required, not to exceed 25%.

2. Setback zones.

The open space contained in the various setback zones has several functions--it forms a visual connection to other open areas, enhances the perimeter of individual building sites, and provides space for buffers or screening. See Figure 1 for location of setback zones.



SETBACK ZONES

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\\\ Exterior Yard
 /// Interior Yard
 ■ Frontyard

FIGURE 1

a. Front yard facing Alderwood Road and International Parkway.

- (1) All buildings shall be set back a minimum of 60 feet from the property line.
- (2) Parking lots will be permitted if screened from roadways and shall be set back a minimum of 20 feet from the property line. (See Section D.4.b.)
- (3) No service areas, loading bays, or storage areas are permitted in front yards facing Alderwood Road or International Parkway. (Exceptions may be given on a case-by-case basis for warehouse/distribution facilities located along Alderwood Road.) (See Section B.4.)
- (4) Landscaping in this yard shall be designed to integrate with the adjacent Roadway Zones.

b. Front yard facing internal access streets.

- (1) All buildings shall be set back a minimum of 25 feet from the property line.
- (2) Parking lots will be permitted if screened and set back a minimum of 10 feet from the property line.

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- (3) Landscaping in this yard shall be designed to integrate with the adjacent building landscaping.

c. Front yard facing core area water feature.

- (1) Buildings shall be set back a minimum of 25 feet from the water feature. (Exceptions may be given if significant opportunity has otherwise been provided on the site for public access to the water feature.)
- (2) Parking lots will be permitted if set back a minimum of 50 feet and completely screened from view from the top of the bank of the water feature.
- (3) No service areas, loading bays, mechanical equipment or storage areas are permitted in front yards facing the Core Area water feature.
- (4) Landscaping adjacent to a Core Area water feature shall be designed to integrate with the adjacent building(s) landscaping.

d. Exterior yard (includes areas adjacent to I-205, Airport Way and 82nd Avenue).

- (1) All buildings shall be set back 75 feet from the property line.
- (2) Parking lots will be permitted if screened from roadways and shall be set back at least 25 feet from the property line.
- (3) The landscaping along Airport Way and I-205 shall enhance views into the site and provide a consistent natural edge to the site.
- (4) Loading bays, service areas and storage areas shall not be permitted in the Exterior Yard.

e. Interior yard (includes areas facing adjacent parcels and secondary sloughs).

- (1) All buildings, parking lots, loading, service, storage, and vehicular circulation areas shall be set back at least 10 feet from the property line.
- (2) Where drainage or other easements are wider than 10 feet, the minimum setback shall correspond to the easement width.

- (3) Landscaping shall cover all otherwise undeveloped ground.

f. Columbia Slough buffer.

No development will occur within 50 feet of the top of the bank of the Columbia Slough, except for the 40 Mile Loop Trail system and landscaping compatible with the natural vegetation. Except for the 50-foot development setback, property fronting the Columbia Slough will be treated as an interior yard.

g. Light rail.

Special design consideration will be given to property adjacent to the future light rail line on a case-by-case basis. Both aesthetic and operational criteria will be discussed at the predesign conference, and specific standards developed for that project.

3. Access.

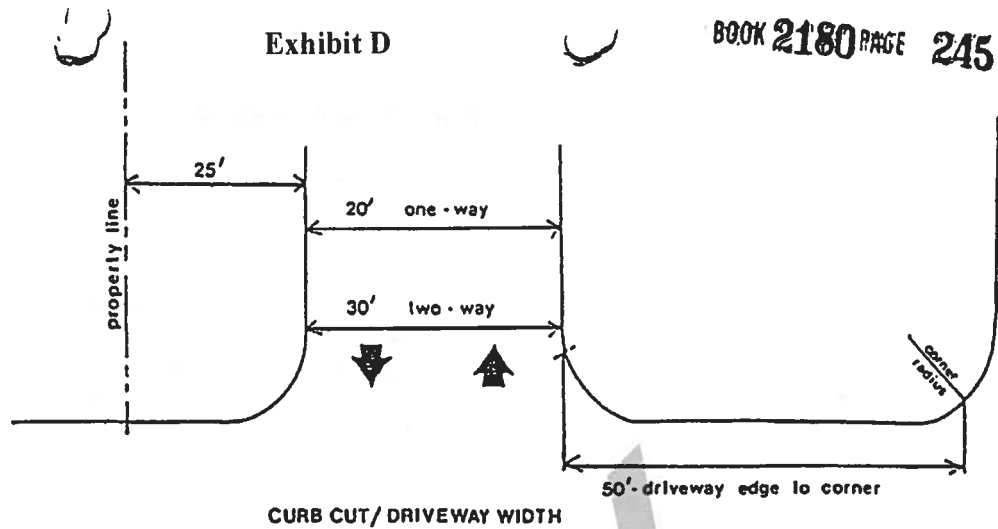
a. Curb cuts.

Curb cuts providing vehicular access to and from a site shall be a minimum of 25 feet from adjacent property lines, except where a shared driveway is required to provide access for adjoining parcels. For corner lots, a minimum distance of 50 feet shall be provided between the tangent point of a corner radius and the closest edge of a driveway.

All curb cuts on the same site shall be at least 200 feet apart. There shall be no more than two curb cuts to a site from any one street. Landscaping and signage shall not obstruct lines of sight for traffic entering and exiting driveways.

b. Driveway width.

Driveways accommodating truck traffic shall have an unobstructed minimum width of 20 feet for one-way traffic and 30 feet for two-way traffic. Driveways used only by automobiles may be a minimum of 12 feet wide for one-way traffic and 24 feet wide for two-way traffic. Curb cuts for driveways shall meet City of Portland requirements.



c. Emergency vehicle access.

Access for emergency vehicles shall be provided which meets City of Portland requirements.

4. Parking

All City of Portland parking requirements shall be met. In addition, the following Port standards shall be met:

a. Minimum number of required spaces.

(1) Restaurant:

One space/100 sq. ft. of patron serving area.

(2) Hotel and conference:

One space/hotel room, and for conference space additional parking may be required.

(3) Office:

One space/300 sq. ft.

(4) Flex: One space/400 sq. ft. Provision of additional spaces may be required where higher intensity employment (i.e., high percentage of office use) is anticipated.

(5) Light manufacturing:

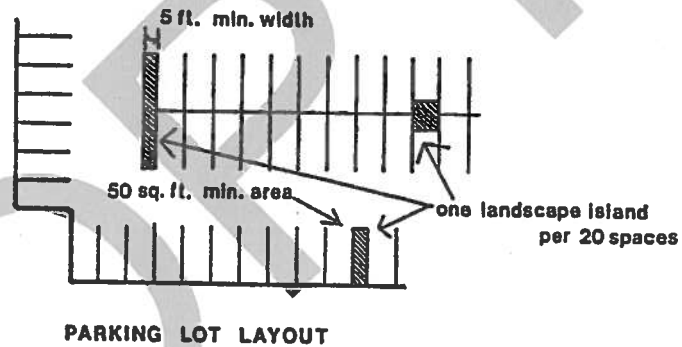
One space/600 sq. ft. up to 50,000 sq. ft., one space/800 sq. ft. for 50,000-100,000 sq. ft., and one space/1000 sq. ft. over 100,000 sq. ft.

(6) Warehouse/distribution:

One space/1000 sq. ft. up to 100,000 sq. ft.
and one space/2000 sq. ft. over 100,000 sq.
ft.

b. Parking lot layout.

- (1) Parking areas with more than 20 spaces shall be divided by landscaped islands. The overall objective for all parking areas will be to have a landscaped island for every ten spaces. Each of these islands shall be at least 5 feet wide and a minimum of 50 square feet. (Additional landscaped areas may be needed to meet City requirements, but do not have to meet these minimum dimensional standards.)

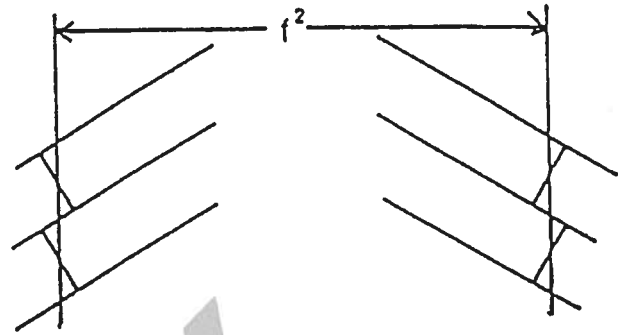
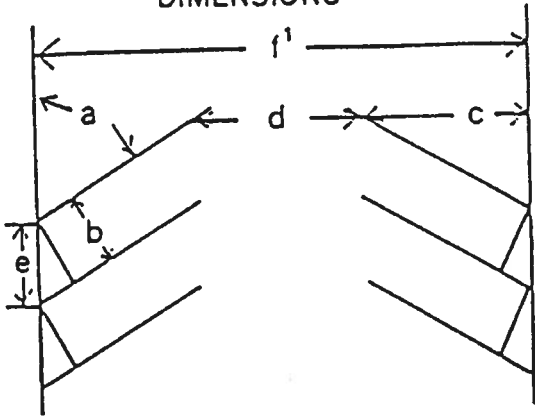


- (2) Standard parking stalls, aisle widths and maneuvering areas shall be used. Figure 2 indicates current Port standards.

PARKING AREA DIMENSIONS

FIGURE D2

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Parking Angle (Degree) a	Stall Width b	Stall to Curb (19'-Long Stall) c	Aisle Width d	Curb Length e	Front of Stall to Front of Stall f'	Overlap Front of Stall to Front of Stall f''
			One Way			
			Two Way			
parallel	8'0"	8.0	12.0	22.0	28.0	--
45°	**8'0"	16.3	13.5	11.3	46.1	40.4
	8'6"	19.4	13.5	12.0	52.3	46.3
	9'0"	19.8	13.0	12.7	52.6	46.2
	9'6"	20.1	13.0	13.4	53.2	46.5
	*10'0"	20.5	13.0	14.1	54.0	46.9
50°	**8'0"	16.5	15.5	10.4	48.7	43.6
	8'6"	20.0	15.5	11.1	55.5	50.0
	9'0"	20.4	15.0	11.7	55.8	50.0
	9'6"	20.7	15.0	12.4	56.4	50.3
	*10'0"	21.0	15.0	13.1	57.0	50.6
60°	**8'0"	17.0	18.5	9.2	52.5	48.5
	8'6"	20.7	18.5	9.8	59.9	55.6
	9'0"	21.0	18.0	10.4	60.0	55.7
	9'6"	21.2	18.0	11.0	60.4	55.6
	*10'0"	21.5	18.0	11.5	61.0	56.0
70°	**8'0"	16.8	19.5	8.5	53.1	50.4
	8'6"	20.8	19.5	9.0	61.1	58.2
	9'0"	21.0	19.0	9.6	61.0	57.9
	9'6"	21.2	18.5	10.1	60.9	57.7
	*10'0"	21.2	18.0	10.6	60.4	57.0
80°	**8'0"	16.2		8.1	56.3	54.9
	9'0"	20.3		9.1	64.3	62.7
	9'6"	20.4		9.6	64.4	62.7
	*10'0"	20.5		10.2	65.0	63.3
90°	**8'0"	15.0		8.0	54.0	--
	9'0"	19.0		9.0	62.0	--
	9'6"	19.0		9.5	62.0	--
	*10'0"	19.0		10.0	62.0	--

*Required for passenger vans and similar vehicles and for stalls designated for handicapped persons.

**Small cars only. A small car parking space shall not be less than 8.0 feet in width or 15 feet in length when measured at right angles, with the exception of lots abutting a wall where stall width shall not be less than 8.5 feet. Aisle width shall be a minimum width of 22 feet. In areas where small car spaces and standard car spaces are mixed, the wider of the two aisle widths shall apply.

Exhibit D

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Exhibit D

- (3) The number of compact car parking stalls shall not exceed 50 percent of the total required parking spaces. Each compact car stall should be signed for compact car usage only.

c. On-street parking.

No on-street parking shall be permitted.

d. Company fleet vehicles.

Fleet vehicle parking shall only be permitted in parking or storage areas which are completely screened from view from the street.

e. Landscaping.

All parking areas shall be screened by perimeter landscaping, and designed with landscape islands. See Section D.4., page 24 for specific landscape standards.

f. Surfacing.

All permanent and temporary parking areas shall be: (1) paved with asphalt or concrete; (2) properly graded and drained; and (3) of adequate strength for the expected traffic. Parking stalls shall be clearly marked on the paved surface. Traffic directional arrows may be required for safety purposes.

5. Service, loading, and special equipment areas.

a. Service and loading areas.

- (1) Service and loading areas may only be located in interior yards, and shall not extend into a landscaped setback area.

Special consideration may be given to allow a loading area in the front yard for warehouse and distribution uses along Alderwood Road. A variance may be given if the following requirements are met: (a) the dimensions of the parcel do not reasonably permit a design which includes interior yard loading areas; (b) the loading area is set back a minimum of 25 feet from the property line; and (c) the building is set back a minimum of 120 feet from the back edge of the screening.

(2) Loading and service areas shall be completely screened to a height of 6 feet, from the street, adjacent properties, and the Columbia Slough buffer area.

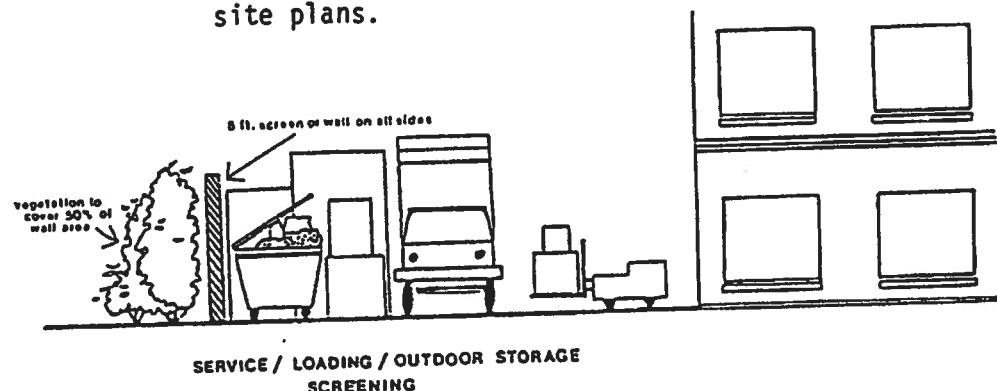
- (3) All loading operations shall be located on site. Off-site loading is prohibited.
- (4) All loading areas shall be designed with adequate maneuvering areas to accommodate all vehicle movements within the property lines.
- (5) All service and loading areas shall be paved with asphalt or concrete.

b. Refuse collection areas.

Refuse collection areas may only be located in interior yards and shall not extend into a landscaped setback area. All refuse collection shall be fully screened and gated with a solid perimeter wall using materials and colors which are compatible with the adjacent building. The wall shall be a minimum of 6 feet in height.

c. Outdoor storage.

- (1) No equipment, material, or supplies shall be stored on-site, except within a closed building or a screened outdoor storage area.
- (2) Screened outdoor storage may only be located in an interior yard and shall not extend into a setback area. The area shall be completely screened from view from the street and adjacent property, using either a solid landscape screen and/or a solid perimeter wall constructed of materials compatible with the adjacent building. The screen or wall shall be a minimum of 8 feet in height.
- (3) All outdoor storage areas shall be paved with asphalt or concrete.
- (4) All outdoor storage areas shall be shown on site plans.



d. Storage tanks.

- (1) All storage tanks shall comply with Federal, State and City of Portland requirements.
- (2) Above-ground storage tanks shall be screened to the extent possible with a solid perimeter wall using materials and colors compatible with the adjacent building. The wall shall be a minimum of 6 feet in height.

6. Utilities.

a. Utility locations.

All utilities shall be brought underground into the site and to the buildings. Tenants will be responsible for cost of extending utilities into the site.

b. Easements.

- (1) Port easements shall be obtained for all utilities crossing Port property, including sanitary sewer, storm sewer, water, gas, electricity, and telephone. Port easements will not be withheld unreasonably.
- (2) Removal and replacement of Port facilities in connection with the construction of utilities shall be in conformance with Port specifications and under Port supervision.
- (3) Indemnities shall be provided to the Port in accordance with the CC&Rs for the use of Port easement areas.

7. Site drainage.

Surface drainage shall not be directed toward adjacent property. All surface and storm drainage shall meet City of Portland requirements.

8. Pedestrian circulation.

a. Sidewalks and trails.

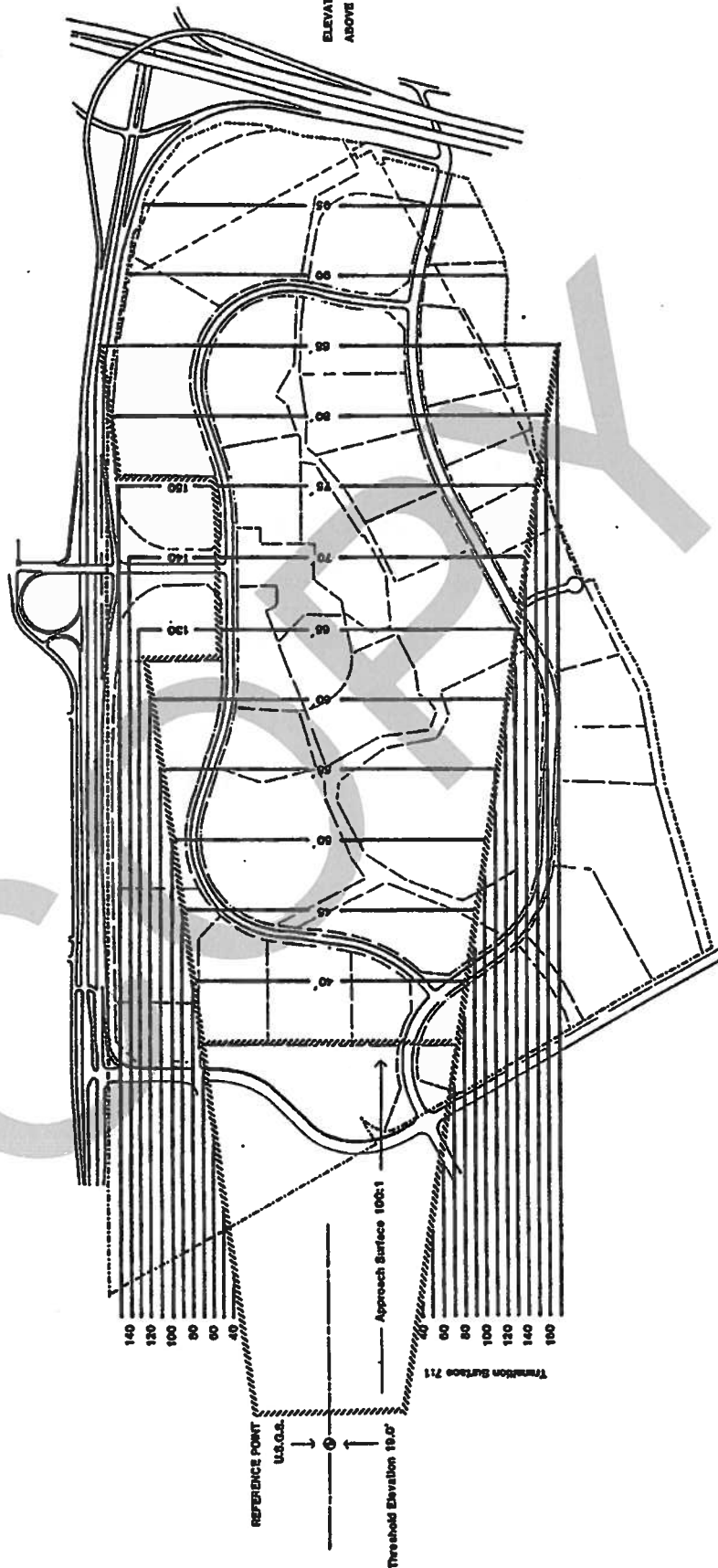
- (1) Internal Access Roads - Concrete sidewalks shall be provided on both sides of the street. The sidewalk shall be set back a minimum of 5 feet from the curb and shall be a minimum of 5 feet in width.
- (2) 40-Mile Loop Trail - The Trail shall be provided along the Columbia Slough within the 50-foot setback area in a location acceptable to the City of Portland and shall be constructed to City standards.

b. On-site pedestrian improvements.

- (1) Direct pedestrian access shall be provided from the public sidewalk to each building or group of buildings.
- (2) Safe and adequate pedestrian access shall be provided from parking and vehicular circulation areas to buildings.
- (3) Pedestrian linkages between adjacent sites are encouraged where necessary to facilitate the efficient movement of people within the Center, reduce traffic congestion, and enhance the open, campus-like setting.
- (4) Access to the 40-Mile Loop Trail shall be provided from each site adjacent to the trail easement.

9. Height restrictions.

Refer to the height restriction map (Figure 3) to identify the maximum permissible height for a particular site. The stated height includes all building features, including penthouses, utility enclosures, flag poles, lighting fixtures and poles, and landscaping.



C. Building Standards

High quality architectural design and a compatible architectural theme for all facilities constructed within the Portland International Center is important. The building standards allow individuality and creative design, while maintaining sensitivity to the environment, architectural integrity, and an image of permanence.

1. Buildings

Within the Portland International Center, all building designs should give special consideration to:

- Orientation toward major streets and thoroughfares.
- The character of surrounding development.
- Energy conservation through facility design.
- Optimization of views and vistas.
- The natural environment and open space features.

In addition, the use of the following design elements are encouraged:

- Formal entrance drives.
- Highlighted visitor entry plazas.
- Employee entry plazas and lunch areas.
- Accent and architectural lighting.
- Atriums and interior courts.
- Dynamic building and roof forms.
- Striking window patterns.

2. General building design requirements.

a. Architect.

All buildings shall be designed by an Oregon-registered architect. All buildings shall conform to the requirements of the Oregon State Energy Code, Handicap Code, and governing building codes.

The use of contemporary, innovative architectural styles is strongly encouraged. The use of unusual or eccentric architectural elements which would detract from the quality image of the Portland International Center will not be allowed.

3. Building exteriors.

a. Materials/colors/details.

High quality building materials of a permanent, low-maintenance type shall be used on all exterior walls of a building. Colors, form, and texture shall be used consistently and sensitively throughout each site.

All colors are to be harmonious. Bright, primary colors shall be used with restraint and shall be integrated with the overall building design.

The use of two or more exterior colors is strongly encouraged, to enhance the building and to create design accents. Accent colors shall complement the main building color, and shall not be highly contrasting.

b. Parapets/canopies/facias.

The use of canopies, parapets, and facias is encouraged to break up large, uniform wall surfaces. Such features shall be in proportion to wall heights and building mass.

c. Metal buildings.

Preengineered metal buildings are prohibited. Metal-clad buildings or buildings with metal exterior features may be permitted if proposed by the architect as part of a high quality building design. These buildings will receive special scrutiny by the Port to ensure that high structural and aesthetic standards are maintained.

4. Roof treatment/penthouses/mechanical equipment screens.

Roofs shall be attractively designed and constructed. All mechanical equipment located on roofs shall be fully screened from street views. Penthouses shall be an integrated part of the building facade and shall be constructed of compatible materials. Signs, letters, designs, or other graphics shall not be painted or placed on roofs. Materials used for roofs shall have a nonglare surface.

Satellite dishes, antennas, or any other communication equipment shall not be mounted on the roof.

5. Mechanical equipment and utility boxes.

All above-ground mechanical equipment and utility boxes shall be fully screened from view of adjacent property and streets.

6. Temporary buildings.

Trailers, mobile offices, and other temporary structures will not be permitted, except during construction. All temporary buildings shall be removed from the site after the certificate of occupancy is issued.

D. Landscape Standards

The term "landscaping" shall refer to all areas within the project not utilized for buildings, parking spaces, service areas, vehicular circulation, truck loading, mechanical equipment, or refuse collection. Landscape areas shall include all walkways and other pedestrian areas. All land not covered by buildings, structures, or paved surfaces shall be landscaped. All areas not planted with trees or shrubs shall be planted with groundcover or lawn. No unlandscaped area will be accepted except where phased development is occurring. All undeveloped area shall be rough seeded and mowed.

1. General landscape design requirements.

a. Concept.

Landscape treatment of open areas shall provide a strong visual identity for the business park. The landscaping of individual sites should complement and enhance the common area landscaping. Site landscaping shall be designed to contribute to the visual unity of the project as a whole, rather than call attention to individual parcels. The use of significant existing vegetation in landscape plans is strongly encouraged.

b. Landscape architect.

All landscape drawings submitted for approval shall be stamped by an Oregon-registered landscape architect.

c. Berms.

The use of berms throughout a landscape design is highly encouraged. When used, the berms should vary in height and shall be fully landscaped with lawn and/or groundcovers and shrubs.

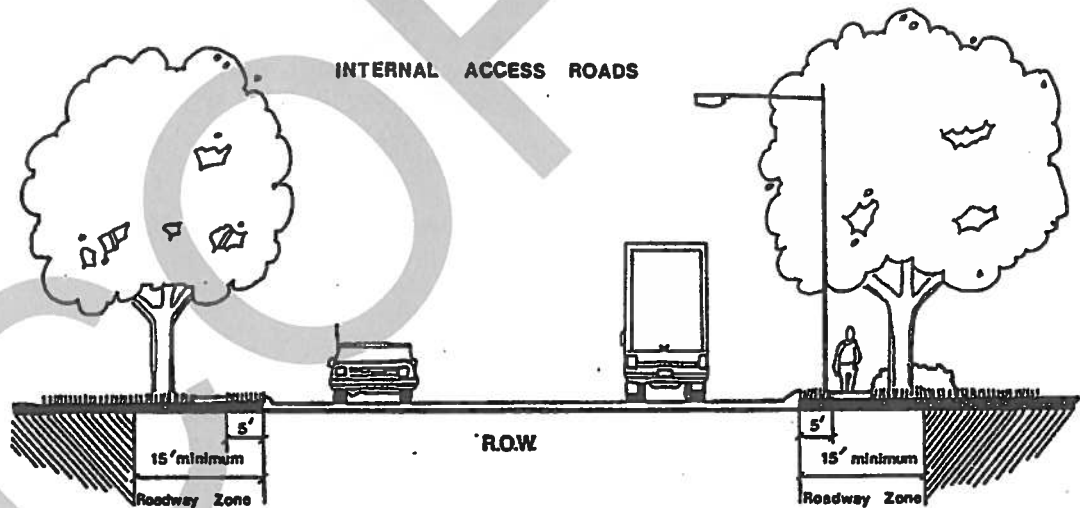
The maximum slope of a berm shall be 5:1 for lawn. Berms may be steeper if planted with another groundcover which can be adequately maintained on a steeper slope.

d. Irrigation.

An underground, automatic irrigation system shall be provided for all plant material.

2. Internal access roads (labeled Secondary Access Roads on the Master Plan).

- a. The Roadway Zone landscape area, including sidewalks, shall be a minimum of 15 feet wide on both sides of the road, measured from the edge of the curb.
- b. Street trees shall be planted in formal rows with appropriate spacing to achieve an interlocking canopy.
- c. No shrubs greater than 4 feet in height are allowed at intersections and driveways.



3. Setback zones.

Landscaping in all setback areas shall enhance buildings, form visual connections to other open areas, provide buffering and screening as necessary, and create visual links between adjacent building sites.

a. Front yard, exterior yard, and interior yard.

- (1) All landscaping shall be designed to integrate with adjacent street landscaping.

- (2) Deciduous, accent, and evergreen species should be selected from the recommended tree list (see Appendix B).
- (3) Evergreen trees shall only be planted in small groups.
- (4) Shrub species should be selected from the recommended shrub list (see Appendix C).
- (5) The primary ground cover in the front and exterior yards shall be lawn. Other ground covers may only be planted in interior yards and as part of parking area landscaping. Ground covers should be selected from the recommended groundcover list (see Appendix D).
- (6) Exterior yard landscaping shall emphasize views into the site and an edge that is consistent with adjacent properties.
- (7) Interior yard plant materials shall be selected to integrate the building with surrounding landscaping and adjacent building sites and to avoid harsh visual edges along property lines. Native plant materials shall be the predominant species used adjacent to secondary sloughs and drainage courses.

b. Columbia Slough buffer.

Landscaping shall be designed to enhance the natural setting of the slough. Native vegetation shall be used for all plantings.

c. Light rail setback.

Landscaping shall be designed to discourage access across the rail line, while providing aesthetic views.

4. Parking areas.

Landscaping shall be used in island planters and as perimeter screening from adjacent streets and property.

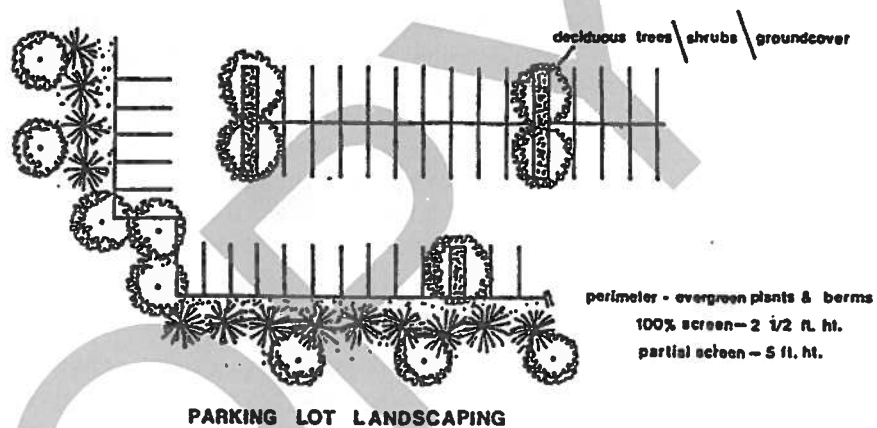
a. Island planters.

- (1) Island planters shall be provided for every ten parking stalls in areas with 20 or more spaces. Where necessary to preserve significant natural vegetation, an irregular pattern of landscaped islands may be used.

- (2) Landscaping is required for all parking islands. The use of horizontally branching trees is strongly encouraged except for truck turning areas, to create a canopy which reduces glare and excessive heat.

b. Perimeter screening.

Parking lots shall be screened from the street and adjacent property by a combination of berms, shrubs, and trees. A complete (100 percent) screen shall be provided to a minimum height of 2 1/2 feet, measured from the parking lot surface. A partial landscape screen should be provided to a height of at least 5 feet.



c. Plant variety.

All plant material should be selected from the recommended parking area plant list (see Appendix E).

5. Building entries.

Landscaping adjacent to pedestrian entries should satisfy the following objectives.

- Channel pedestrian traffic from parking areas to buildings.
- Provide areas for annual or seasonal color that create accents for the building entries.
- Emphasize the entries of the buildings while providing continuity of landscape material within the building site.

6. Fences and walls.

- a. Wall and fence design, color, and materials shall complement the landscaping and architecture.
- b. Perimeter fencing and walls around the entire site shall not be permitted.
- c. Chain link fencing is prohibited, except in interior yards of industrial property along Alderwood Road. If chain link fencing is used in interior yards, it must be completely screened from view by landscaping from both Alderwood Road and the 40-Mile Loop Trail along the Columbia Slough.
- d. No fence or wall shall exceed 8 feet in height, except to screen mechanical equipment, outdoor storage areas, and storage tanks.
- e. Evergreen trees, shrubs, or vines shall be provided on the exterior side of all screening walls and fences and shall screen at least 50 percent of the wall or fence surface.

7. Utility and Mechanical Equipment/Boxes screening.

Pad-mounted transformers and other utility and mechanical equipment installed above ground shall be completely screened from view with plant material that is consistent with utility company regulations and compatible with the surrounding landscaping.

8. Bird control.

Due to the close proximity of Portland International Center to Portland International Airport, the bird population in the area must be controlled for aviation safety. To do so the following requirements shall be met:

- a. Fruit-producing landscape plants shall be kept to a minimum.
- b. All rough seeded areas shall be maintained at a height of less than 5 inches.

9. Planting requirements.

- a. Plant lists and materials.

(1) Plant lists have been developed for landscaped setback areas and parking areas. Plants used in these areas should be selected

from the recommended plant lists (see Appendixes B, C, D, and E).

- (2) When adjacent properties are landscaped, plant materials used shall be complementary to the developed property.

b. Planting size.

The minimum planting size for trees shall be 2 1/2-inch caliper. Use of larger trees is strongly encouraged. Ornamental trees used for accent may be smaller, but must be in scale with the surrounding plant materials. Minimum tree height shall be 8 to 10 feet. Shrubs shall have a minimum planting size of 3 gal. and 12-24 inch height, and a spread of 12 inches. At least 50 percent of the shrubbery shall have a minimum height of 24 inches at planting time. Groundcover shall be of a size and density to fill in within two years of planting.

c. Mowing Strips.

Mowing strips shall be provided as necessary to separate areas maintained by the Tenants Association, from the area maintained by the tenant. The mowing strip shall be constructed of wood or concrete and shall be a minimum of 4" wide and 2" deep.

d. Planting installation/timing.

All required landscaping shall be fully installed within six months after substantial completion of the associated improvements.

E. Lighting

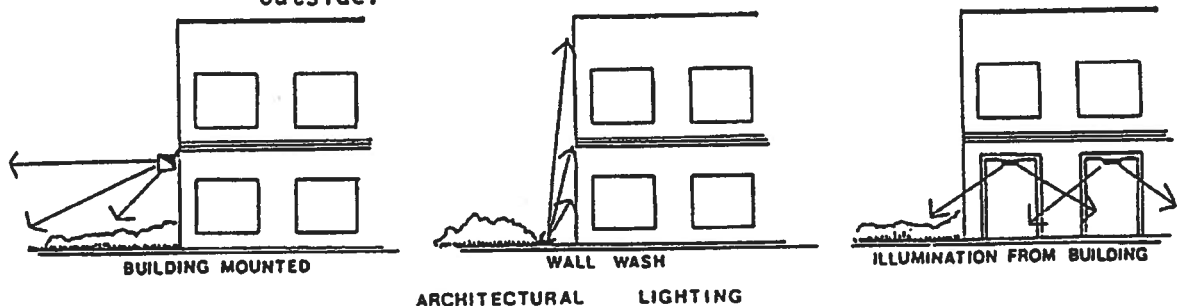
Lighting shall be designed to enhance the overall character of the Center and shall promote safety, security, and efficiency throughout the site.

1. General requirements.

- a. Street lighting on internal access roads shall conform to City of Portland standards.
- b. On-site lighting shall contribute to the safety and site security.
- c. Lighting levels, colors, and fixture types shall be consistent throughout the site and shall complement the architecture and landscaping.
- d. The use of high-pressure sodium lamps is recommended, except as noted below.

Exhibit D

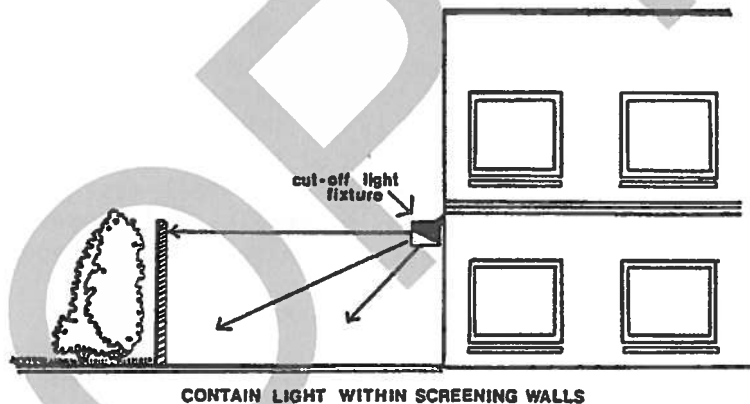
- e. All lighting shall use cut-off fixtures. No lighting shall cast glare onto adjacent parking lots, buildings, and streets.
 - f. Uplighting shall be designed to prevent interference with aircraft.
 - g. Wooden light poles shall not be permitted.
 - h. All light levels are to be considered "Average Maintained" utilizing factory certified maintenance factors.
2. Parking areas, driveways, and internal vehicular circulation areas.
 - a. Hotel and retail commercial parking areas shall have pole-mounted, cut-off lamp fixtures to create a washing effect. Pole heights shall be 20 to 30 feet. Foot candle range: 2-3 with a 6:1 average to minimum with a .33 foot candle minimum.
 - b. Other parking area lights shall be pole-mounted with sharp cut-off lamp fixtures. Pole heights shall be in the range of 20 to 30 feet. Foot candle range: 1 to 2 with a 6:1 average to minimum with a .17 foot candle minimum.
 - c. Main entrances to parking lots shall have pole-mounted, cut-off lamp fixtures. Required foot candle range (3 to 5) shall be higher to provide a visual signal of entry and provide additional illumination for safety purposes. Pole height shall be consistent with parking lot lights (20 to 30 feet.)
 3. Building and architectural.
 - a. Lighting shall be designed to highlight and not dominate the design of the building.
 - b. Exposed light fixtures are prohibited. No visible light source will be permitted.
 - c. All architectural lighting shall be indirect wall lighting (i.e., "wall washing"), overhead downlighting or interior illumination which spills outside.



- d. Formal entries of hotel and retail buildings shall use recessed or wall-pack fixtures to create an indirect "wall washing" effect. Metal halide (or equivalent) lamps are recommended. Foot candle range: 5 to 10. Side entries will use controlled cutoff, wall-pack fixtures with a foot candle range of 3 to 5.
- e. Main entries into industrial buildings shall use recessed or wall-pack fixtures at a foot candle range of 3 to 5. Secondary entries will use wall-pack or flood light fixtures with a foot candle range of 1 to 2.

4. Service areas/loading areas.

- a. Service area lighting shall be contained within the boundaries of the screening wall (No light shall spillover to areas outside of the service or loading areas.)



- b. The light source shall not be visible from the street or adjacent property.
 - c. Service/loading area lighting shall use wall-pack or flood light fixtures with a 3 to 5-foot candle rating, with a minimum of .5 to 1 foot candle.
5. Pedestrian paths and pedestrian areas.
- a. Emphasis shall be placed on clearly defining the path.
 - b. Low-level point-to-point lighting is acceptable for pedestrian paths.
 - c. Outdoor pedestrian areas (i.e., courtyards, entries, etc.) and paths shall use either lamps mounted in bollards or on 8 to 10 foot posts, or other treatments which provide adequate illumination.

Metal halide lamps are recommended. Foot candle range: 2 to 3 for areas; 0.5 to 1 for paths.

F. Electronic Communication Equipment

1. Location.

Electronic and communication equipment shall only be located in interior yards and shall not be located within 50 feet of the front property line. Such equipment shall not extend into landscaped setback areas.

2. Screening.

Electronic and communication equipment shall be screened with landscaping so that the site will appear to be free of such devices. To aid in screening, it is suggested the equipment be painted/coated black or dark brown.

G. Signs

Signs are an important element contributing to the identity of the Portland International Center and are intended to add to the aesthetic appeal of the area. The use of signage shall be coordinated with landscape and building elements and shall complement the overall design of the Center. Consistent colors, materials, and typography for all signs will contribute to the high quality image of the Park.

1. General requirements.

- a. All signs shall be integrated with the architectural and landscape design of the site and shall be in scale with their surroundings.
- b. All signs shall meet City of Portland requirements. The Port shall review and approve all sign designs prior to obtaining sign permits from the City of Portland. Business identification signs shall only identify the building or its occupants. No other advertising signs are permitted.

2. Prohibited signs.

Flashing and rotating signs; billboards; roof signs; temporary signs, including but not limited to, banners, reader boards and A-frames, signs placed on fences, signs painted on exterior surfaces of any building (except inset letters or symbols - see 4a.(3). below); and vehicles used as signs are not permitted.

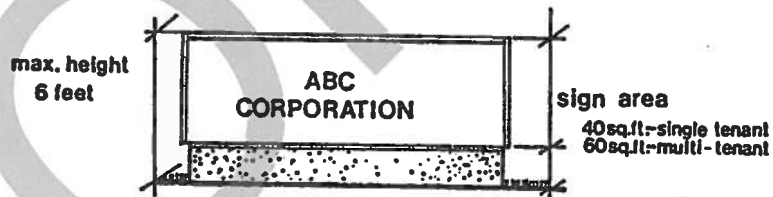
3. Freestanding business identification signs.

a. Single-tenant sign.

One business identification sign of a freestanding, solid base, monument-type will be permitted for each street frontage on a single-tenant site. The sign shall not exceed 40 square feet in sign area and 6 feet in height from finished grade level. The base or pedestal of the sign is not included in the sign area calculation, but is included in the height. No other freestanding advertising sign or billboard shall be permitted.

b. Multi-tenant signs.

One freestanding, solid base, monument-type sign will be permitted for each street frontage on a multiple-tenant site for the purpose of identifying the building(s) and its tenants. The sign shall not exceed 60 square feet in sign area and 6 feet in height from finished grade. The base or pedestal of the sign is not included in the sign area calculation, but is included in the height. No other freestanding advertising sign or billboard shall be permitted.



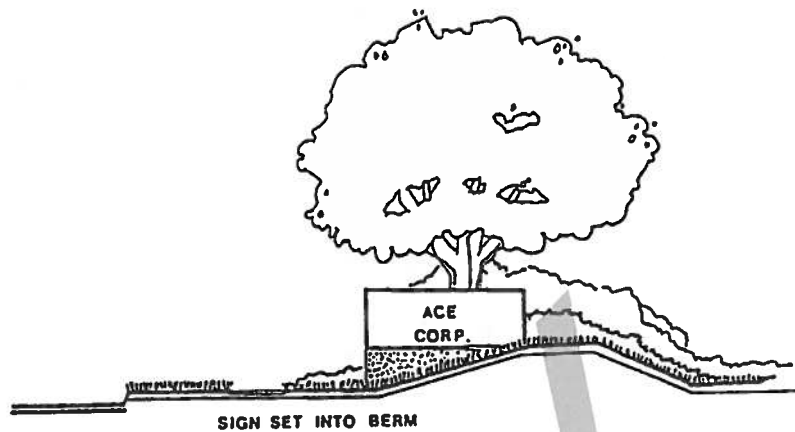
FREESTANDING IDENTIFICATION
SIGN

c. Location.

All freestanding business identification signs shall be located at least 10 feet behind the property line.

d. Berms.

Freestanding signs shall not be placed on top of berms, but may be set into a berm.



e. Illumination.

Freestanding signs shall only be illuminated by backlighting of raised letters, internally illuminated individual letters, or by low-intensity spotlights. Internally-illuminated box or can signs are prohibited. No sign illumination shall create glare or uplighting which interferes with aircraft. All light fixtures shall be screened from view.

f. Materials.

All freestanding signs shall be constructed of concrete, brick, stone, or anodized metal.

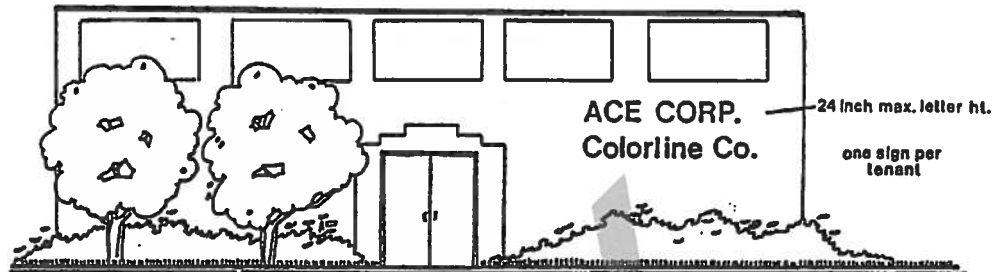
4. Building-mounted business identification sign and logo.

a. Industrial/warehouse/distribution or flex buildings.

- (1) One business identification wall sign may be placed on an exterior building wall for each tenant.
- (2) Wall signs shall not extend above the top of the wall or parapet and shall appear as an integral part of the architectural design of the building.
- (3) Wall signs shall be made up of individual letters. The letters may be raised, inset or flush mounted. No box or can signs, or signs painted on a board or similar surface and mounted on a building are permitted.

(4) Letter height shall not exceed 24 inches.

- (5) Wall signs may consist of individually-illuminated letters or may be illuminated by backlighting or low intensity spotlights. No sign illumination shall create glare. All light fixtures shall be screened from view.



WALL IDENTIFICATION SIGN
Industrial/Warehouse/Distribution or Flex

b. Multi-tenant office building.

- (1) One logo or building identification sign may be placed on an exterior wall of the building.
- (2) Letter/logo height shall not exceed 36 inches.
- (3) Sign Design (see 4a(3) above.)
- (4) Sign Illumination (see 4a(5) above.)
- (5) Individual tenants shall be identified by a directory sign (see 5. Directory sign).

c. Hotel/restaurant/single-tenant office building.

- (1) One logo or building identification sign may be placed on an exterior wall.
- (2) Letter/logo height shall not exceed 36 inches.
- (3) Sign Design (see 4a(3) above.)
- (4) Sign Illumination (see 4a(5) above.)

5. Directory sign.

- a. One directory sign may be used for multi-tenant office buildings.
- b. Directory signs shall only list the tenant names and locations within the building.
- c. The sign may be either a wall-mounted glass case or a freestanding, solid base, monument-type sign.
- d. The sign area shall not exceed 20 square feet. Freestanding signs shall not exceed 6 feet in height above finished grade.

6. Directional signs.

a. Location.

Directional signs such as "enter," "exit," "shipping," etc. shall only be located adjacent to driveways. Sign location shall not interfere with vehicle and pedestrian safety.

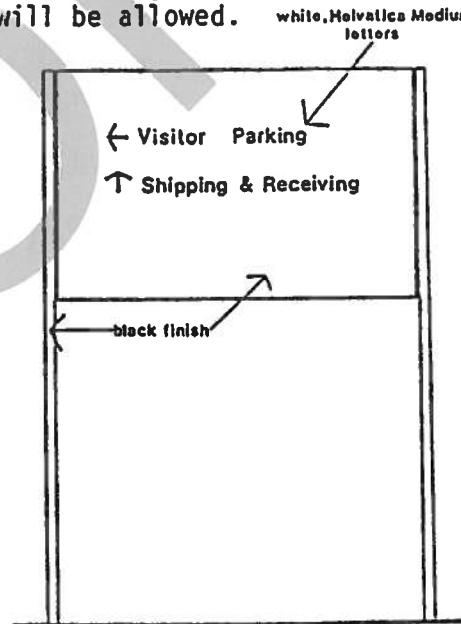
b. Size.

Directional signs shall not exceed 4 feet in height from grade and 6 square feet in sign area.

c. Design.

All directional signs shall be uniform in design using a Nelson-Harkin ES Series 100-400 post and panel design, or sign system of equal design which is approved in writing by the Port. Posts and panels shall have a durable black finish. All lettering shall be white, Helvetica Medium. Letters shall not exceed 6 inches in height.

Only a business name, symbol, or logo shall be permitted on any directional sign in addition to the directional wording or symbol. No other advertising will be allowed.



DIRECTIONAL SIGN

d. Illumination.

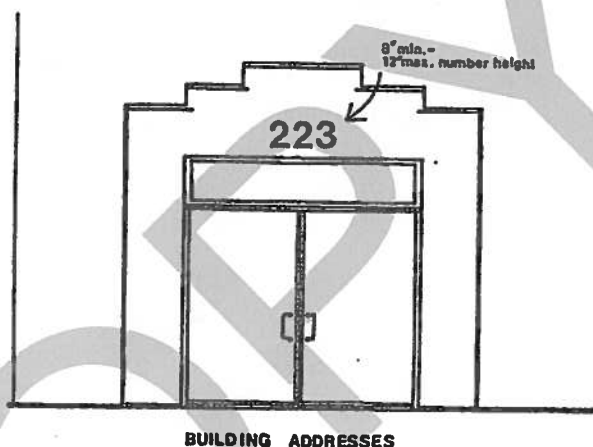
Directional signs shall not be illuminated.

7. Building address.

All buildings shall have address numbers placed at or as close as possible to the main entrance lobby.

The numbers shall face the street or entrance walkway. In multitenant buildings which do not have a principal entrance, the address shall be placed at a prominent location on the building, easily visible from the main access route. The numbers shall be constructed of a design, material, and color consistent with the building and business identification signs.

Number height shall not exceed 12 inches and shall not be less than 8 inches.



8. Window and door signs.

Small incidental signs for business hours, telephone numbers, etc., may be placed on windows and doors. The total sign area for all incidental signs shall not exceed a total of 2 square feet. The maximum letter height shall be 1 inch.

9. Temporary signs.

a. Real estate.

Freestanding temporary real estate signs may be permitted. The sign shall not exceed 6 feet in height from grade and 36 square feet in sign area. Display period shall be limited to one year but may be renewed with written Port approval. Signs shall be removed promptly upon completion of the property transaction. Real estate signs shall be limited to one sign per street frontage of a site and located behind the right-of-way line. Real Estate signs shall not be mounted on a

building or in windows. All signs shall be constructed of durable materials. All real estate signs shall be submitted to the Port for approval before installation.

b. Construction signs.

One temporary construction sign of a maximum of 32 square feet sign area shall be permitted for each building site. All construction signs shall be removed after the certificate of occupancy has been issued.

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III. PERFORMANCE STANDARDS

BOOK 2180 PAGE 270

The following performance standards shall apply to all tenants at Portland International Center. The intent of these standards is to avoid creation of a nuisance or unsanitary conditions within Port-developed facilities.

A. Property Use

The use of the property and the buildings and other facilities erected on the site shall comply with the laws, statutes, regulations, ordinances, and rulings of the State of Oregon and other governing bodies having jurisdiction. The buildings and other facilities comprising the development shall comply with the plans and specifications as approved by the Port of Portland. Any subsequent changes in use must be requested in writing and shall be subject to the approval of the Port.

B. Air Quality

Any facility locating on Port property shall comply with all State of Oregon Department of Environmental Quality air pollution control regulations referenced in the Oregon Administrative Rules (OAR) and amendments thereto.

No open burning shall be permitted.

C. Water Quality

Development and use of the site shall meet the standards of the City of Portland's Columbia South Shore Water Quality Facilities Design Handbook.

The discharge of treated or untreated sewage and/or other waters into the sanitary sewage system shall conform to the codes and ordinances of the appropriate local and state jurisdictions.

D. Noise, Odor, Heat, and Glare

All tenants must comply with the state DEQ and City of Portland noise standards. No objectionable noise, odor, heat, or glare which is detectable beyond the property line will be permitted. All exterior lighting changes shall be submitted to the Port for review and approval.

E. Vibration

No vibration generated on site which is discernible without instruments shall be permitted beyond the tenant's property boundaries.

F. Waste Material

All materials, including wastes, shall be stored and all properties maintained in a manner which will not attract or aid the propagation of insects, birds, or rodents or in any way create a health hazard.

G. Hazardous Materials

All hazardous material on the site shall be stored and handled in a manner so as to prevent their leakage, escape, discharge, or becoming a hazard to life, property, water, or groundwater resources. Storage and handling of such materials shall be in accordance with the regulations and codes of the City of Portland, the State Fire Marshal and the National Fire Protection Association.

IV. MAINTENANCE STANDARDS

The maintenance standards outline the required level of upkeep and repair for structures and the surrounding property.

A. Buildings

Exterior walls, facings, canopies and trim which have been painted or similarly treated shall not be allowed to become cracked, chipped, faded, or in any way seriously deteriorated. Materials that have been stained or otherwise treated to age naturally will be allowed to do so. The tenant shall be responsible for repainting building exterior surfaces once every five years, or as required. The Port may extend the time period on a case-by-case basis.

Broken windows, doors, or other damaged exterior elements shall be replaced promptly.

B. Landscaped Areas

The following standards shall be used for the maintenance of landscaped areas throughout the site. Maintenance will be the responsibility of the tenants association or individual tenants, depending upon the location of the landscaped areas.

1. Tenants Association obligations.

- a. Landscaping in the public street right-of-way and the adjacent landscape easement within the tenant property line (i.e., Roadway Zone landscaping).
- b. Landscaping associated with the central water feature, water retention area, Columbia Slough, and other water courses and drainage channels outside of the tenant property line.

2. Tenant obligations.

- a. Roadway Zone landscaping adjacent to internal access streets shall be maintained by the tenant, to the extent the internal streets are not public rights-of-way.
- b. All setback areas shall be maintained by the tenant, other than the landscape easements adjacent to the street referred to in 1. above. Maintenance shall include all landscaping, signs, lighting, and other facilities located within these setback areas.
- c. Landscaping in all parts of the site shall be continuously maintained to ensure an orderly, attractive appearance and to meet specific demands of all plant materials. The following tasks shall be performed:

- (1) Establish a regular mowing schedule for all turf areas. Fertilize on a scheduled basis to maintain good color and health.
- (2) Prune all shrubs to maintain intended height specified in the landscape design. All shrubs and trees planted near entries, exits, and signs shall be pruned to avoid blocking driver site distances and views.
- (3) Trim groundcover as necessary to keep borders neat.
- (4) Apply fertilizer and insecticide to trees, shrubs and groundcovers on a scheduled basis to maintain plant health.
- (5) Apply herbicides to planting beds and turf areas to control established weeds and weed seeds.
- (6) Clean up and remove all litter, debris, trimmings and clippings from all landscaped areas.
- (7) Replace all diseased or dead plant material promptly.

C. Fences/Walls

Fences and walls shall have damaged, broken, or rotten members repaired or replaced. Painted or similarly treated surfaces which are subject to weathering shall not be allowed to crack, chip, fade, or deteriorate.

D. Paved Areas and Other Surfaces

Paved areas for loading, parking, driveways, and pedestrian paths shall not be allowed to remain broken, cracked, settled, or otherwise in need of repair. Dirt and litter shall not be allowed to accumulate on paved surfaces. Paved areas shall be swept on a regular basis. Grass, weeds, and other plant materials that grow through joints and cracks shall be removed. Areas covered with gravel, bark dust, or wood chips and all other open areas shall be kept free of weeds and litter. All markings painted on paved surfaces shall be maintained so as to be clearly visible.

E. Signs

Signs shall be repaired or replaced if damaged or if they have significantly deteriorated. Sign lighting shall be maintained, with burned-out fixtures replaced promptly. Signs which are no longer appropriate due to a change of tenant shall be removed.

F: Lighting

All exterior lighting shall be maintained at adequate levels of illumination. Broken or burned-out elements shall be replaced promptly.

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V. ENFORCEMENT OF STANDARDS

In the event a Tenant fails to comply with any term or condition of these Development Requirements and Standards within 30 days after written notice to the Tenant, the Port may, at its option, enter upon the Tenant's leased parcel and correct or repair any deficiency in compliance or failure to comply with these Development Requirements and Standards. The noncomplying Tenant shall reimburse the Port in the amount of any expenses incurred by the Port in connection with such action by the Port, plus ten percent (10%) of such expenses as reimbursement for the Port's administrative expenses, together with interest thereon from the date of expenditure until paid at a rate per annum equal to the lesser of, (a) the maximum rate permitted by law; (b) seven percentage points in excess of the average discount rate of three-month treasury bills as reported by the Federal Reserve Bank of New York at the first weekly auction held during the calendar month in which the Port bills the non-complying tenant for reimbursement. Tenant shall reimburse the Port for such amount within ten days after the Port's billing therefor.

The Port reserves the right for itself or designees to enter upon the premises for the purpose of inspection, repairing, or correcting deficiencies.

All the conditions, restrictions, and standards contained in this Development Requirements and Standards shall be construed together, but if at any time any one of these conditions, restrictions, or standards becomes invalid or for any reason unenforceable, no other condition, restriction, and standard shall be thereby affected or impaired.

DEFINITIONS

Building Setback Line

The minimum distance which all buildings and structures shall be set back from the property line adjacent to streets, from proposed streets, and from the side and rear property lines.

Design Standards

Guidelines for the development of individual sites in a manner which will enhance the working efficiency and visual amenities of the total area, while providing latitude and flexibility for the individual developer.

Development Requirements and Standards (the "standards")

A set of plan review policies, design standards, performance standards, and maintenance standards used to guide development of the Portland International Center.

Exterior Yard Setback

Required open space areas which face I-205, Airport Way and 82nd Avenue.

Final Plans

Detailed Development Plans submitted to the Port for final approval. Included are a detailed site plan, architectural and engineering working drawings, construction specifications, exterior material color board, landscape and irrigation plans, sign plans and a construction schedule. Stamped copies of the Final Plan are returned to the tenant or representative, after which application for appropriate state and city building permits may proceed.

Flex Buildings

Buildings designed to be flexible enough to accommodate a variety of different uses, ranging from office and research and development to warehousing/distribution and light manufacturing. The buildings are usually one or two stories and generally have more than one tenant.

Front Yard Setback

Required open space areas which face all Roadway Zones and the core area water feature.

Interior Yard Setback

Required open space areas which face other parcels and secondary sloughs or drainage ditches.

Landscape Area

All areas within the project site which are not utilized for buildings, parking lots, service areas, vehicle circulation, loading, mechanical equipment, or refuse collection. Landscape areas shall include all yards, required screening, walkways and any land not covered by buildings, structures or paved surfaces.

Landscape Easement

A landscaped area located in the Roadway Zone along International Parkway and parts of Alderwood Road between the property line and the outer edge of the Roadway Zone.

Maintenance Standards

Guidelines which are provided to outline the required level of upkeep and repair for structures and the surrounding property.

Nuisance

Any use or activity which produces any of the following or similar effects discernible outside of site boundaries or affecting any surrounding property: noise or sound that is objectionable due to its volume, duration, frequency or shrillness; smoke; gas fumes; odors; dust, dirt or ash; unusual fire or explosive hazards and excavation. (Only excavation made in connection with construction of improvements is permitted.)

Open Space Area

Any part of the site not occupied by either building's accessory structures, loading, or service areas, outdoor storage, refuse collection area, and vehicle parking and maneuvering areas.

Parking Bay

A single row of parking spaces.

PDX Eastside Master Plan

A set of goals, objectives, design concepts, and development guidelines for the Port of Portland's Portland International Center.

Performance Standards

Guidelines which are provided in order to avoid the creation of nuisance or unsanitary conditions within Port-developed areas.

Permanent-Type Construction

Structures or ground facilities constructed with the intent of providing service over the length of the lease agreement or warranty deed with use of materials and methods of construction which will maintain their appearance and functionality. Trailers, mobile offices, and other similar temporary structures are not considered as permanent-type construction.

Port of Portland (Port)

A Port district organized under the laws of the State of Oregon and governed by a nine-member board which establishes and controls its policies and activities.

Preliminary Plan

Design concept plans submitted to the Port of Portland for initial approval prior to detailed planning and design. Included are conceptual site and building plans, conceptual landscape plan, proposed uses and approximate locations of utilities, loading areas, mechanical equipment and any other special appurtenances.

Property Line

The boundary which limits the extent of a particular parcel of land, as described in the lease or warranty deed.

Rear Property Line

The property line describing the rear boundary of a tenant's parcel, opposite the property line fronting the street or airport access road.

Roadway Zone

The landscape/pedestrian areas adjacent to International Parkway, Alderwood Road and internal access streets. The zone width, measured from the outer curb, is 25 feet for International Parkway, 20 to 23 feet for Alderwood Road, and 15 feet for internal access streets.

Screening

Evergreen plant material, berms, fences, or walls of sufficient height and capacity to conceal the view of a particular function or area from the street or adjacent properties.

Setback Zone

Open space areas used to enhance the perimeter of individual building sites, provide space for buffers and screening, and form visual connections to other open areas.

Sign Area

The area of the sign's surface (per side) which displays letters or symbols.

Tenant

Individuals and organizations which have either leased or purchased property which is subject to regulation or control by the Port of Portland.

Variance

A written notification by the Port which modifies one or more specific development standard as it applies to a particular lot and particular tenant. The development guidelines of the PDX Eastside Master Plan will be used as the primary criteria for determining whether the variance should be approved.

Water Feature

The existing sloughs, central water feature, and water retention areas as shown on the PDX Eastside Master Plan Land Use Plan.

APPENDIX B
Recommended Tree List

<u>Botanical Name</u>	<u>Common Name</u>
<u>Deciduous</u>	
Acer platanoides	Norway Maple
Acer rubrum "Red Sunset"	Red Sunset Maple
Quercus rubra	Red Oak
Quercus coccinea	Scarlet Oak
Platanus acerifoia	London Plane Tree
Fraxinus oxycarpa	Ash
<u>Evergreen</u>	
Pinus contorta	Shore Pine
Pinus densiflora	Japanese Red Pine
Pinus nigra	Austrian Pine
Tsuga heterophylla	Western Hemlock
Thuja plicata	Western Red Cedar
Cedrus deodora	Deodar Cedar
Calocedrus decurrens	Incense Cedar
<u>Accent</u>	
Carpinus betulus "Fastigiata"	Pyramidal Hornbeam
Malus species	Crabapple
Prunus cerasifera	Flowering Plum
Pyrus calleryana	Flowering Pear
Populus nigra "Italica"	Lombardy Poplar
Acer palmatum	Japanese Maple
Quercus palustris	Pin Oak
Cornus florida	Flowering Dogwood
Prunus serrulata	Flowering Cherry
Acer circinatum	Vine Maple

Exhibit D

APPENDIX C Recommended Shrub List

BOOK 2180 PAGE 280

<u>Botanical Name</u>	<u>Common Name</u>
Rhododendron species	Rhododendron
Rhododendron species	Azalea
Euonymous alata	Burning Bush
Abelia grandifolia	Glossy Adelia
Berberis thunbergii	Japanese Barberry
Berberis thunbergii	
'Atrop urpurea'	Red-leaf Japanese Barberry
Berberis thunbergii	
"Crimson Pygmy"	Dwarf Red Barberry
Cotoneaster horizontalis	Rock Cotoneaster
Cotoneaster microphyllus	Rockspray cotoneaster
Cotoneaster apiculatus	Cranberry cotoneaster
Pinus mugo muhus	Mugho Pine
Ilex cornuta "Burfordii"	Burford Holly
Potentilla species	Potentilla
Forsytheia intermedia	Forsythia
Nandia domestica	Heavenly Bamboo
Juniper species	Juniper
Viburnum carlesii	Koreanspice Viburnum
Cornus stolonifera	Red Twig Dogwood
Gaultheria shallon	Salal
Mahonia aquifolium	Oregon Grape
Escallonia species	Escallonia
Ligustrum species	Privet

APPENDIX D
Recommended Groundcover List

BOOK 2180 PAGE 281

GROUNDCOVERS

<u>Botanical Name</u>	<u>Common Name</u>
Hedera helix	English Ivy
Hypericum calycinum	St. Johnswort
Cotoneaster dammeri	Bearberry Contoneaster
Vinca minor	Common Periwinkle
Pachysandra terminalis	Pachysandra
Fragaria chiloensis	Wild Strawberry

RECOMMENDED PLANTINGS FOR PARKING AREAS

<u>Botanical Name</u>	<u>Common Name</u>
<u>Deciduous Trees</u>	
Tilia cordata	Little Leaf Linden
Liquidambar styraciflua	Sweet Gum
Gleditsia triacanthos	Seedless Honeylocust
<u>Evergreen Tree</u>	
Sequoiadendron giganteum	Sequoia
<u>Shrubs</u>	
Viburnum species	Viburnums
Raphiolepis indica	Indian Hawthorn
Juniper species	Juniper
<u>Groundcover</u>	
Viburnum davidii	David Viburnum

01/04/89
0858N

013590

STATE OF OREGON }
Multnomah County } ss.

I, a Deputy for the Recorder of Conveyances, in and for said County, do hereby certify that the within instrument of writing was received for record and recorded in the record of said County

1989 FEB 21 AM 8:59

RECORDING SECTION
MULTNOMAH CO. OREGON

In Book On Page

BOOK 2180 PAGE 195

witness my hand and seal of office affixed.

Recorder of Conveyances

m Butno Deputy

433

8/29/90
89-019

57499 S-35- AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

THIS AMENDMENT OF DECLARATION is made this 29th day of August, 1990, by the PORT OF PORTLAND ("Port") and the PORTLAND INTERNATIONAL CENTER TENANT'S ASSOCIATION ("Association").

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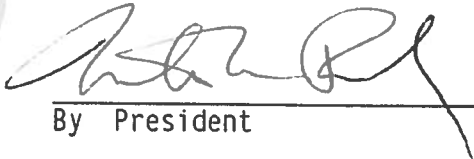
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PORT OF PORTLAND

PORTLAND INTERNATIONAL CENTER
TENANT'S ASSOCIATION


By Executive Director


By President

APPROVED AS TO LEGAL SUFFICIENCY


Dean M. Phillips, Port of Portland

AFTER RECORDING RETURN TO:
Crysttal Atkins-Conwell
Port of Portland
P.O. Box 3529
Portland, OR 97208

Recorded By
Title
Insurance Company

TICOR TITLE INSURANCE COMPANY HAS RECORDED THIS INSTRUMENT BY REQUEST AS AN
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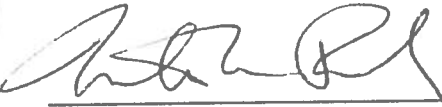
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STATE OF OREGON)
County of Multnomah) SS.

This instrument was acknowledged before me on August 29, 1990,
by Robert Woodell, as Executive Director of The Port of Portland, a port
district.



Shirley L. Jackson
Notary Public for Oregon
My Commission Expires 3-7-94

STATE OF OREGON)
County of Multnomah) SS.

This instrument was acknowledged before me on August 29, 1990,
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Recorded By
Ticor Title
Insurance Company

8/29/90
89-019

574995-35

AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

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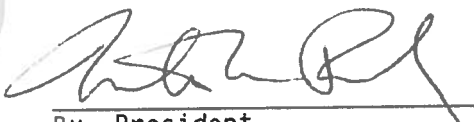
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PORT OF PORTLAND

PORTLAND INTERNATIONAL CENTER
TENANT'S ASSOCIATION


By Executive Director


By President

APPROVED AS TO LEGAL SUFFICIENCY


Dean M. Phillips, Port of Portland

AFTER RECORDING RETURN TO:
Crystal Atkins-Conwell
Port of Portland
P.O. Box 3529
Portland, OR 97208

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STATE OF OREGON)
County of Multnomah) SS.

This instrument was acknowledged before me on August 29, 1990,
by Robert Woodell, as Executive Director of The Port of Portland, a port
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Shirley L. Jackson
Notary Public for Oregon
My Commission Expires 3-7-94

STATE OF OREGON)
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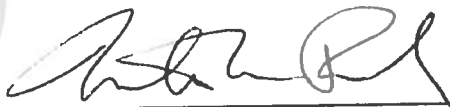
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Charles L. Jackson
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Charles L. Jackson
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Recorded By
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8/29/90
89-019

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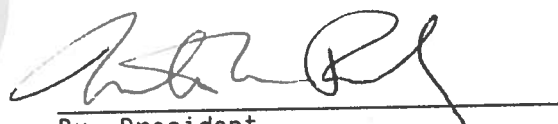
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By President

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Dean M. Phillips, Port of Portland

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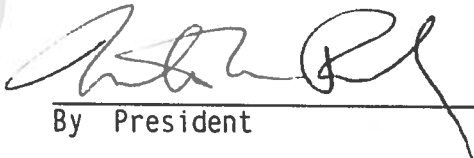
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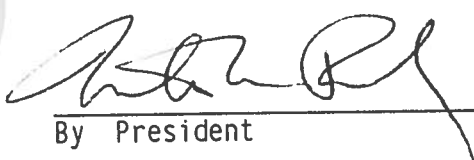
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Phillip L. Jackson
Notary Public for Oregon
My Commission Expires 3-7-94

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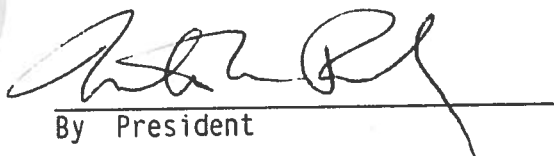
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PORT OF PORTLAND

PORTLAND INTERNATIONAL CENTER
TENANT'S ASSOCIATION


By Executive Director


By President

APPROVED AS TO LEGAL SUFFICIENCY


Dean M. Phillips, Port of Portland

AFTER RECORDING RETURN TO:
Crystal Atkins-Conwell
Port of Portland
P.O. Box 3529
Portland, OR 97208

Recorded By
Ticor Title
Insurance Company

TICOR TITLE INSURANCE COMPANY HAS REVIEWED THIS INSTRUMENT BY REQUIRE AS AN
ACCOMMODATION ONLY AND HAS NOT EXAMINED IT FOR REGULARITY AND SUFFICIENCY OR
AS TO ITS EFFECT UPON THE TITLE TO ANY REAL PROPERTY THAT MAY BE DESCRIBED
THEREIN

STATE OF OREGON)
County of Multnomah) SS.

This instrument was acknowledged before me on August 29, 1990,
by Robert Woodell, as Executive Director of The Port of Portland, a port
district.



Shirley L. Jackson
Notary Public for Oregon
My Commission Expires 3-7-94

STATE OF OREGON)
County of Multnomah) SS.

This instrument was acknowledged before me on August 29, 1990,
by William Bach, as President of Portland International Center Tenant's
Association, a non-profit corporation.



Shirley L. Jackson
Notary Public for Oregon
My Commission Expires 3-7-94

Recorded By
Title
Insurance Company

574995-35

AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

THIS AMENDMENT OF DECLARATION is made this 29th day of August, 1990, by the PORT OF PORTLAND ("Port") and the PORTLAND INTERNATIONAL CENTER TENANT'S ASSOCIATION ("Association").

WHEREAS, a Declaration regarding property as described on Exhibits A & B ("Property"), attached hereto, was made on February 16, 1989 by the Port of Portland, recorded in Book 2180, Page 195, Multnomah County Deed Records ("Declaration"), and

WHEREAS, the Port and the Association, formed pursuant to such Declaration, desire to amend the Development Requirements and Standards of the Declaration,

NOW THEREFORE,

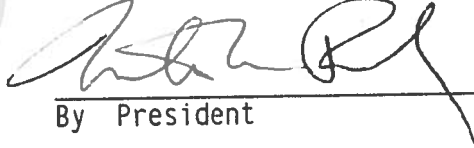
1. Exhibit D attached hereto shall be substituted in the place of, and shall supersede, as of the effective date of this Amendment, Exhibit D to the Declaration.

2. All other terms and conditions of the Declaration shall remain in full force and effect.

PORT OF PORTLAND

PORTLAND INTERNATIONAL CENTER
TENANT'S ASSOCIATION


By Executive Director


By President

APPROVED AS TO LEGAL SUFFICIENCY


Dean M. Phillips, Port of Portland

AFTER RECORDING RETURN TO:
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Port of Portland
P.O. Box 3529
Portland, OR 97208

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THEREIN.

8/29/90
89-019

574995-35

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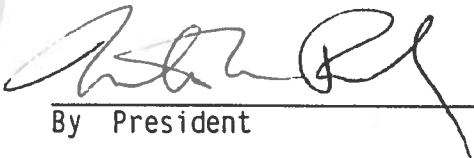
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EXHIBIT A

Description of the Property

A TRACT OF LAND IN THE GEORGE M. LONG D.L.C.,
TOMAS CULLY D.L.C., HENRY HARGRIEVE D.L.C. AND
SECTIONS 9 AND 16 T1N R2E, W.M., MULTNOMAH COUNTY,
OREGON. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, WHICH IS A 2" X
36" GALVANIZED IRON PIPE, SAID POINT IS S89°40'58"E,
265.99 FEET AND S0°05'45"E 216.35 FEET FROM THE
NORTHWEST CORNER OF SAID SECTION 16; THENCE FROM SAID
INITIAL POINT 629.96 FEET ALONG THE ARC OF A 520.00
FOOT RADIUS CURVE, THROUGH A CENTRAL ANGLE OF 69°24'40" TO THE RIGHT (WHICH
CHORD BEARS N34°36'35"E, 592.13 FEET); THENCE N69°18'55"E, 254.63 FEET;
THENCE 450.33 FEET ALONG THE ARC OF A 640.00 FOOT RADIUS CURVE, THROUGH A
CENTRAL ANGLE OF 40°18'55" TO THE LEFT (WHICH CHORD BEARS N49°09'28"E,
441.09 FEET); THENCE N29°00'00"E, 504.86 FEET; THENCE N35°50'33"E, 80.34
FEET; THENCE 65.55 FEET ALONG THE ARC OF A 160.00 FOOT RADIUS CURVE THROUGH
A CENTRAL ANGLE OF 23°28'25" TO THE RIGHT, (WHICH CHORD BEARS N47°34'46"E,
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FEET; THENCE S29°00'00"W, 531.24 FEET; THENCE S35°05'23"W, 100.00 FEET;
THENCE 156.61 FEET ALONG THE ARC OF A 650.00 FOOT RADIUS CURVE, THROUGH A
CENTRAL ANGLE OF 13°48'18" TO THE RIGHT (WHICH CHORD BEARS S48°00'29"W,
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FEET; THENCE S10°00'00"W, 310.00 FEET; THENCE S85°10'40"W, 111.67 FEET;
THENCE N72°00'00"W, 105.00 FEET; THENCE N78°00'00"W, 200.75 FEET; THENCE
S29°00'00"W, 1398.55 FEET; THENCE N58°46'20"W, 240.00 FEET; THENCE 175.69
FEET ALONG THE ARC OF AN 815.00 FOOT RADIUS CURVE, THROUGH A CENTRAL ANGLE
OF 12°21'05" TO THE RIGHT (WHICH CHORD BEARS N52°35'48"W, 175.35 FEET);
THENCE S43°34'45"W, 456.06 FEET; THENCE S13°49'30"W, 562.90 FEET; THENCE
N76°10'30"W, 566.90 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND
AVE.; THENCE N0°05'45"W ALONG THE EASTERLY LINE OF SAID 82ND AVE., 2134.35
FEET; THENCE N4°04'20"E, 104.38 FEET; THENCE S89°54'15"W, 19.13 FEET;
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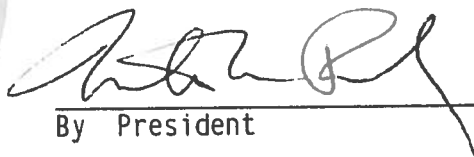
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By Executive Director


By President

APPROVED AS TO LEGAL SUFFICIENCY


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Recorded By
Ticor Title
Insurance Company

Description of Adjacent Property

DESCRIPTION - PARCEL 1

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16, THENCE S89°40'58"E, 206.05 FEET; THENCE S0°05'45"W 2642.75 FEET; THENCE N89°54'15"E 71.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING, ALONG THE CENTERLINE OF "THE COLUMBIA SLOUGH" S76°10'30"E 554.50 FEET; THENCE S76°16'59"E CONTINUING ALONG SAID SLOUGH 632.71 FEET; THENCE LEAVING SAID SLOUGH S54°43'36"W 124.57 FEET; THENCE S0°08'56"E 414.93 FEET TO THE CENTERLINE OF THE "LITTLE SLOUGH"; THENCE N89°56'49"W 137.71 FEET; THENCE N74°57'39"W 131.62 FEET; THENCE N65°40'29"W 232.52 FEET; THENCE LEAVING THE SAID "LITTLE SLOUGH" ON A 1347.39 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 23°04'48" TO THE LEFT, WHICH CHORD BEARS S43°02'15"W 543.10 FEET, AN ARC DISTANCE OF 646.78 FEET; THENCE S0°08'55"E PARALLEL TO THE WEST LINE OF THE G.M. LONG D.L.C., 502.89 FEET TO THE EASTERLY RIGHT-OF-WAY OF SAID 82ND AVE.; THENCE N34°09'47"W ALONG SAID RIGHT-OF-WAY 283.84 FEET; THENCE N4°38'47"W 443.50 FEET; THENCE N0°02'47"W 241.80 FEET; THENCE N89°57'13"W 10.00 FEET; THENCE N0°06'46"W 620.65 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 18.060 ACRES. SUBJECT TO A SEWER EASEMENT.

DESCRIPTION - PARCEL 2

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16; THENCE S89°40'58"E 206.50 FEET; THENCE S0°05'45"E 440.79 FEET; THENCE N89°54'15"E 72.67 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE N89°54'15"E 77.34 FEET; THENCE ON A 600.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 85°00'00" TO THE RIGHT, WHICH CHORD BEARS S47°35'45"E 810.71 FEET, AN ARC DISTANCE 890.12 FEET; THENCE S5°05'45"E 349.60 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 53°40'38" TO THE LEFT, WHICH CHORD BEARS S31°56'04"E 776.54 FEET, AN ARC DISTANCE OF 805.69 FEET; THENCE S58°46'23"W 901.54 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE WITH A CENTRAL ANGLE OF 30°00'00" TO THE LEFT, WHICH CHORD BEARS S73°46'23"E 445.17 FEET, AN ARC DISTANCE OF 450.30 FEET; THENCE S88°46'23"E 304.49 FEET; THENCE S1°13'37"W 160.20 FEET; THENCE S11°28'52"W 263.88 FEET; THENCE ON A 2,839.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 2°58'08" TO THE RIGHT, WHICH CHORD BEARS S12°57'56"W 147.14 FEET, AN ARC DISTANCE OF 147.15 FEET TO CENTERLINE OF THE COLUMBIA SLOUGH; THENCE ALONG THE CENTERLINE OF SAID SLOUGH THE FOLLOWING COURSES, N87°07'07"W 366.24 FEET; THENCE S89°57'42"W 285.57 FEET; THENCE N84°10'20"W 146.80 FEET; THENCE N75°09'20"W 155.86 FEET; THENCE N70°14'19"W 465.33 FEET; THENCE N76°16'59"W 632.71 FEET; THENCE N76°10'30"W 554.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF SAID 82ND AVE.; THENCE LEAVING SAID SLOUGH N0°05'45"W ALONG SAID RIGHT-OF-WAY 2,185.86 FEET; THENCE N4°04'20"E, CONTINUING ALONG SAID RIGHT-OF-WAY, 16.03 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 68.804 ACRES.

Recorded By
Floor Title
Insurance Company

DESCRIPTION - PARCEL 3

A TRACT OF LAND IN THE GEORGE M. LONG AND THOMAS CULLY DONATION LAND CLAIMS, IN SECTION 16, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 16; THENCE S89°40'58"E 206.05 FEET; THENCE S0°05'45"E 440.79 FEET; THENCE N89°54'15"E 72.67 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N.E. 82ND AVE. AND THE TRUE POINT OF BEGINNING; THENCE ALONG SAID RIGHT-OF-WAY THE FOLLOWING COURSES N4°04'20"E 165.82 FEET; THENCE ON AN OFFSET SPIRAL CURVE TO THE RIGHT WITH CENTERLINE VALUES OF, LENGTH 200 FEET, S=30°00'00". AND A = 15), WHICH HAS A CHORD THAT BEARS N13°24'29"E 175.32 FEET, AN ARC DISTANCE OF 177.38 FEET; THENCE ON A 177.83 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 56°15'03" TO THE RIGHT, WHICH CHORD BEARS N62°11'39"E 167.66 FEET, AN ARC DISTANCE OF 174.59 FEET; THENCE N89°40'58"W 202.59 FEET; THENCE N0°05'45"W 80.00 FEET; THENCE N89°40'58"W 11.50 FEET; THENCE N0°05'45"W 1,930.43 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF N.E. AIRPORT WAY; THENCE LEAVING THE RIGHT-OF-WAY OF SAID 82ND AVE. S61°00'00"E ALONG THE RIGHT-OF-WAY OF SAID AIRPORT WAY 5,831.06 FEET; THENCE ON A 2,804.90 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 9°29'25" TO THE RIGHT, WHICH CHORD BEARS S56°15'18"E 464.06 FEET, AN ARC DISTANCE OF 464.59 FEET; THENCE S51°30'35"E 757.68 FEET TO THE RIGHT-OF-WAY FOR THE I-205 INTERCHANGE; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY THE FOLLOWING COURSES S24°56'41"E 73.79 FEET; THENCE S52°35'21"E 190.03 FEET; THENCE S37°57'11"E 164.89 FEET; THENCE S23°16'20"E 306.47 FEET; THENCE S5°54'32"E 288.96 FEET; THENCE S30°38'29"W 306.96 FEET; THENCE S42°52'00"W 250.00 FEET; THENCE S36°01'26"W 251.79 FEET; THENCE S42°52'00"W 171.34 FEET; THENCE N0°02'48"W 84.19 FEET; THENCE S89°57'12"W 60.00 FEET; THENCE S0°02'48"E 100.00 FEET; THENCE S89°57'12"W 117.00 FEET; THENCE S0°02'48"E 40.00 FEET; THENCE N89°57'12"E 26.06 FEET; THENCE S47°08'00"E 15.58 FEET; THENCE S42°52'00"W 582.42 FEET TO THE SOUTHERLY BOUNDARY OF BLOCK 110 IN THE PLAT OF PARKROSE; THENCE LEAVING SAID RIGHT-OF-WAY N85°11'47"W 16.15 FEET ALONG THE SOUTHERLY BOUNDARY OF SAID BLOCK 110; THENCE CONTINUING THE FOLLOWING COURSES N87°31'48"W 250.80 FEET; THENCE N85°51'54"W 257.93 FEET; THENCE N69°09'48"W 174.87 FEET; THENCE N60°02'48"W 500.10 FEET TO THE EAST LINE OF THE G.M. LONG D.L.C.; THENCE S0°08'21"E 14.69 FEET TO THE NORTHERLY BANK OF THE COLUMBIA SLOUGH AS LAID OUT IN THE PLAT OF LEGGS GARDEN TRACTS; THENCE ALONG SAID BANK THE FOLLOWING COURSES N77°25'14"W 348.48 FEET; THENCE N80°18'44"W 182.71 FEET; THENCE N71°49'14"W 168.60 FEET; THENCE N77°15'44"W 173.42 FEET; THENCE N77°38'14"W 183.36 FEET; THENCE N82°19'14"W 190.70 FEET; THENCE N83°45'14"W 190.11 FEET; THENCE N83°21'14"W 210.23 FEET TO THE CENTERLINE OF S.E. 92ND DRIVE AND LEAVING THE NORTHERLY BANK OF SAID SLOUGH; THENCE ON A 2,864.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 1°25'23" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS S13°38'10"W 71.16 FEET, AN ARC DISTANCE OF 71.16 FEET; THENCE N87°07'07"W 25.51 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID N.E. 92ND DRIVE; THENCE ON A 2,839.79 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 2°58'08" TO THE LEFT WHICH HAS A CHORD THAT BEARS N12°57'56"E 147.14 FEET, AN ARC DISTANCE OF 147.15 FEET; THENCE N11°28'52"E 263.88 FEET; THENCE N1°13'37"E 160.20 FEET; THENCE N88°46'23"W 304.49 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 30°00'00" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS N73°46'23"W 445.17 FEET, AN ARC DISTANCE OF 450.30 FEET; THENCE N58°46'23"W 901.54 FEET; THENCE ON A 860.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 53°40'38" TO THE RIGHT, WHICH HAS A CHORD THAT BEARS N31°56'04"W 776.54 FEET, AN ARC DISTANCE OF 805.69 FEET; THENCE N5°05'45"W 349.60 FEET; THENCE ON A 600.00 FOOT RADIUS CURVE THAT HAS A CENTRAL ANGLE OF 85°00'00" TO THE LEFT, WHICH HAS A CHORD THAT BEARS N47°35'45"W 810.71 FEET; AN ARC DISTANCE OF 890.12 FEET; THENCE S89°54'15"W 77.34 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 423.975 ACRES. SUBJECT TO UTILITY EASEMENTS.

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Development Requirements and Standards

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Real Estate Management and Development
June 1990



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INTRODUCTION

These Development Requirements and Standards have been prepared to ensure that the highest quality site planning, architecture, engineering, and landscaping are developed and maintained throughout the Portland International Center. The intent of the Port of Portland is to encourage creativity and quality in design which will enhance all future development. The Port considers these standards to be minimal, assuming firms locating in the Center will wish to do the finest possible job in their own self-interest. The standards (Design, Performance, and Maintenance) will be enforced to ensure the long-term quality of development and maintenance of property values in the Center.

I. PLAN REVIEW**A. Policies**

The following policies indicate the intent of the plan review process.

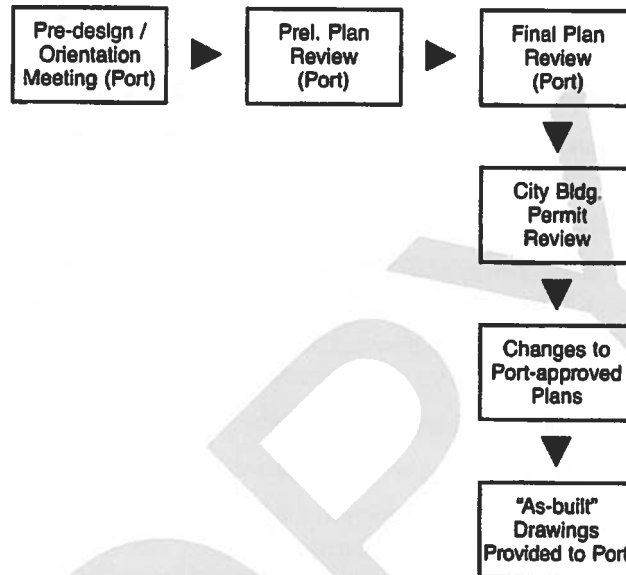
1. The development of sites in the Portland International Center (PIC) shall conform to the standards of the Port of Portland (Port) and other appropriate governing bodies, including the City of Portland (City), Federal Aviation Administration (FAA), Multnomah Drainage District No. 1, (MDD1) Oregon Department of Environmental Quality (DEQ), U. S. Environmental Protection Agency (EPA), and possibly the U.S. Army Corps of Engineers (COE). (Relevant permit processes will be identified at the pre-design/orientation meeting.)
2. The Port of Portland shall review all plans to ensure that development in PIC meets the requirements of the Port's Design Standards. The Port will evaluate the proposed plans based upon the intent of the standards, the available facts regarding the particular project, and the best interests of all concerned property owners. The review process considers the unique aspects of each of the tenant's requirements and is designed to assist individual tenants in following the proper procedures in order to avoid delay or inconveniences in the execution of plans. This review covers site planning, architecture, landscape architecture, signing, and exterior lighting for new construction, remodeling, alterations, or additions. Improvements to building interiors are not subject to these Design Standards except for significant changes in the type of use, or to the extent the interior is highly visible from the exterior (such as lobby areas).
3. All plan reviews will consider two distinct areas:
 - a. A review of conformance to the sections of the standards which outline detailed requirements such as setbacks, height, and other technical and engineering standards.
 - b. A review of subjective design elements such as architectural style, site layout, and landscaping. This review will help ensure compliance with the intent of the Port to provide and maintain quality development in PIC. It is not the Port's intent to dictate design features. Plans will be reviewed for compatibility with surrounding development, functional site design, distinctive architecture, the use of attractive exterior building materials, and landscaping which enhances the site.
4. If city, county, state, or federal code requirements conflict with the Port's interpretation of these standards, the more restrictive requirements shall prevail.

B. Port Contact

All plans, and correspondence concerning submission of plans, for original construction, additions, or re-modeling shall be directed to the Port of Portland's Land Development Manager.

C. Review Process

The review process for development within PIC is divided into the following steps:



Refer to the following sections for specific discussion of the process and the materials to be submitted for each step.

D. Materials for Submission**1. Predesign/orientation meeting.**

A predesign and orientation meeting will be held by Port staff to present the Design Standards and review procedures. The purpose of the meeting is to ensure that the development process, from preliminary plans to building occupancy, goes as smoothly and quickly as possible. The site developer will also have the opportunity to discuss the design concept and specific issues affecting the particular site, and ask questions of Port staff concerning any aspect of the Development Requirements and Standards.

2. Preliminary plan review.

Preliminary plan review will focus on reaching agreement between the site developer and the Port on the design concept for the site. During the review period, Port staff will work with the design team to achieve a high quality and functional design concept. Resolution of specific site issues or concerns will be part of this review process.

There are two key submittal requirements for preliminary plan review. The first is for conceptual site and building plans. These plans should focus on the main site planning issues, such as approximate building footprint(s), the relationship among buildings on the site and to buildings on adjacent sites, access and parking, landscape and pedestrian circulation concepts, etc. The second requirement is for a project description which will include the types of uses envisioned for the site, the approximate number of employees, and approximate building, landscaping, and paved area calculations. (This description may be incorporated onto the drawings, if appropriate.)

Five copies of all preliminary plans and descriptions shall be submitted to the Port for review. All plans must be submitted at the same time. A meeting will be held with Port staff at the time of submittal to discuss the plans. Two copies will be returned with notations after the review is complete. The full length of the review period can be variable, depending upon the completeness of all required plans and the need for interaction between Port staff and the design team. If submittal requirements are met, the Port will review preliminary plans within ten working days.

Preliminary plans shall consist of the following:

- a. General drawing information including title, date, owner, architect, engineer, landscape architect, location, north arrow, and scale.
- b. Site plan(s), drawn to an appropriate scale which will clearly show:
 - (1) The location and dimensions of property lines, street rights-of-way, easements, and setbacks (buildings, parking, etc.).
 - (2) Building location(s).
 - (3) Approximate driveway and curb cut locations and sizes, with arrows indicating vehicular traffic patterns into and out of the site, and to and from all loading and parking areas.
 - (4) Parking and loading area concept, including designated parking areas (employee, visitor, etc.), loading and delivery areas, maneuvering areas, and future parking expansion areas.
 - (5) Outdoor storage areas and refuse collection locations.
 - (6) The approximate location of sidewalks and pedestrian paths.
 - (7) Landscape concept indicating how the landscaping will be integrated with the overall site design. The general character ("deciduous trees," "lawn," etc.), height, and extent of proposed plant materials should be indicated, as well as the location of screening, berms, signage, mailboxes, lighting, etc.
 - (8) A diagrammatic concept for all utilities, including gas, electricity, telephone, water, and storm and sanitary sewers. The approximate location of transformers or other similar facilities should also be noted.
 - (9) Preliminary grading plan, showing existing and proposed topography at two foot contour intervals, and site drainage information.
 - (10) The location, type, and size of any significant trees (1 1/2" caliper and larger) which would be removed from the site.
 - (11) Phasing concept (if appropriate).
- c. Generalized floor plans and conceptual drawings which indicate the scale of construction and the type of use for the building(s). At least one elevation concept drawing should show the relationship of proposed development to adjacent development, if any.
- d. An indication of proposed exterior wall and roof materials.
- e. Percentage of proposed building and impervious coverage.

3. Final plan review.

The purpose of final plan review is to examine and approve construction drawings (for each phase of a phased development project).

All final plans shall be "stamped" approved by the Port before submittal to the City for building permits. Five copies (except as noted below) of the final plans shall be submitted to the Port. All required final plan material must be submitted at the same time. The review time will be extended if the submittal is incomplete.

The Port will review and approve plans which meet these Design Standards within ten working days of submittal. If the standards are not met, further work by the design team will be necessary before approval. When final plans are approved, three stamped copies will be returned to the developer to be used in obtaining the required permits.

Final plans shall consist of the following:

- a. General drawing information (see preliminary plan review).
 - b. Detailed site plan. Include the location and dimensions of property and parcelization lines, street rights-of-way, easements, setbacks, buildings, driveways, parking lots, circulation and loading areas, service and storage areas, and sidewalks and pedestrian paths.
 - c. Detailed grading plan.
 - d. Complete architectural and civil engineering working drawings including utilities.
 - e. Landscape and irrigation plans. Indicate the botanical and common name of all trees, shrubs and groundcovers; planting sizes, locations, quantities, and spacings; tree and plant sizes at maturity, irrigation, berms, and other typical landscape construction specifications. Note all existing trees on the site which will be retained.
 - f. Sign plans. Provide illustrations which include dimensions, materials, copy, footing details, lighting details, and location of all signs. Color samples shall also be provided.
 - g. Underground or above-ground storage tank and piping system plans, if appropriate.
 - h. Exterior lighting plan including location of fixtures, details and specifications.
 - i. Construction schedule for the purpose of coordinating Port and tenant construction activities (one copy).
 - j. Construction specifications may be required for clarification by special Port request.
 - k. Exterior material color board (one copy).
 - l. A rendering of proposed buildings may be required for highly-visible or sensitive sites (one copy only).
 - m. A copy of all geotechnical analyses performed for the site.
- 4. City building permit review.**
- All final plans shall be stamped "approved" by the Port, before the developer submits the three stamped copies of the detailed construction plans to the City for building permits. It will be the responsibility of the developer to obtain all necessary City permits.
- 5. Changes to Port-approved plans.**
- If changes are made to any Port approved construction plans during the City building permit review process or during construction, the developer shall submit the part(s) of the plans that have been changed to the Port for approval. The Port will conduct inspections of the site during the construction period to determine conformance with the approved final plans. The developer or contractor will not be required to notify the Port for inspections.
- 6. "As-built" drawings.**
- As-constructed drawings of all development on the site and all underground utilities within any required utility easement area shall be furnished to the Port no more than 30 days after final City of Portland Certificate of Occupancy permits are granted.

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E. Variances

The Port recognizes that situations arise which may warrant modification to these standards. A written request for an exception shall be submitted to the Port's Land Development Manager, stating the reason for the request and the applicable section of the standards. The Port will evaluate each request and will notify the tenant, in writing, of the decision within ten working days.

If the variance request is determined to be in conformance with the PDX Eastside Master Plan Development Guidelines dated January 1988, the request will be approved. If not, the request may be approved only if it can be determined that: (1) enforcement of the standard in question would cause development constraints which would make the site significantly more difficult to develop than other sites subject to the same standards; (2) the nature of the proposed use/business requires special consideration in the development of the site; (3) there would be no adverse impacts to adjacent existing development or to the provision of basic services to the Center and its tenants; and (4) the proposed variance meets the overall objectives of the PDX Eastside Master Plan and the objectives of the relevant section(s) of the plan.

Written findings addressing each of these four criteria will be included in the notice of approval. Reasonable conditions related to the variance may be required as part of the variance approval.

II. DESIGN STANDARDS**A. Land Use & Zoning**

The Design Standards should meet or exceed the requirements of the City of Portland zoning code. Since codes change periodically, it cannot be guaranteed that all City requirements have been met by conformance to these standards. All uses prohibited by City of Portland zoning shall likewise be prohibited at Portland International Center.

No noxious or offensive trade, business, or activity shall be conducted within Portland International Center, nor shall anything be done therein which may be or may become a nuisance.

B. Site Planning

The site planning of individual lots within the Portland International Center is intended to reflect the general design concept which has been established for the park in the PDX Eastside Master Plan. Key elements of this concept which will be addressed in this section include open spaces, setback zones, water features, storm drainage, service and loading areas, vehicular access, circulation and parking, pedestrian circulation, and the preservation of existing significant vegetation. The PDX Eastside Master Plan establishes a land use and roadway hierarchy that dictates differing standards depending on location within the Center.

1. Open space requirements.

The minimum required open space by type of development for each phase shall be:

Light industrial/warehouse:	15%
1 and 2 story office and R&D/flex space	25%
3+ story office and restaurant	20%
Hotel	30%

Site plans for 3+ story office buildings will be carefully reviewed to determine if adequate landscaping and pedestrian areas are provided in relation to parking. In such cases, additional open space may be required, not to exceed a total of 25%.

2. Setback zones.

The open space contained in the various setback zones has several functions — it forms a visual connection to other open areas, enhances the perimeter of individual building sites, and provides space for buffers or screening. See Figure 1 for location of setback zones.

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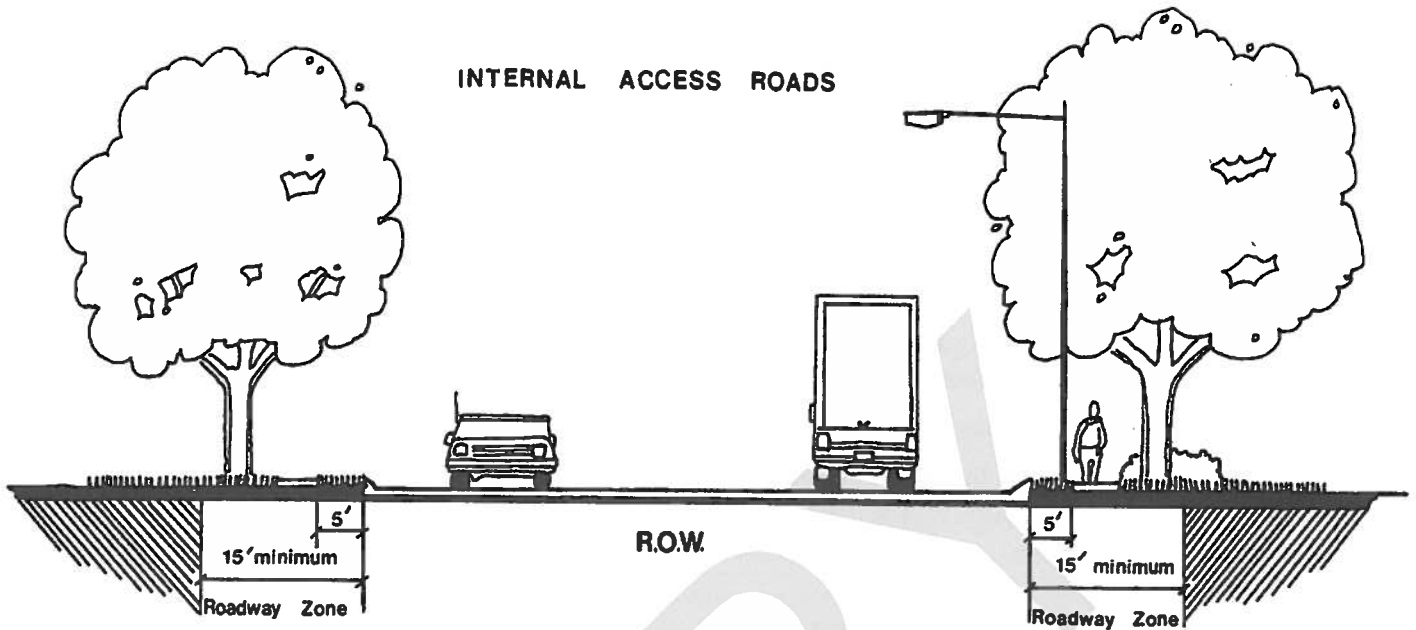


Figure 1

a. Front yard facing Alderwood Road and International Parkway.

- (1) The minimum setback for all buildings shall be 25 feet from the property line. Buildings over 35 feet in height above the curb elevation of the adjacent street must be setback an additional 1 foot for every 1 foot of height above 35 feet with a required setback not to exceed 60 feet from the property line. In addition, building facades over 100 feet in length and oriented parallel to the street shall have a minimum setback of 60 feet from the property line.
- (2) Parking lots will be permitted if screened from roadways and shall be set back a minimum of 20 feet from the property line. (See Section B.4.)
- (3) No service areas, loading bays, or storage areas are permitted in front yards facing Alderwood Road or International Parkway. (Exceptions may be given on a case-by-case basis for warehouse/distribution facilities located along Alderwood Road.) (See Section B.5.)
- (4) Landscaping in this yard shall be designed to integrate with the adjacent Roadway Zones.

b. Front yard facing internal access streets.

- (1) All buildings shall be set back a minimum of 25 feet from the property line.
- (2) Parking lots will be permitted if screened and set back a minimum of 10 feet from the property line.
- (3) Landscaping in this yard shall be designed to integrate with the adjacent building landscaping.

c. Front yard facing Core Area water feature.

- (1) Buildings shall be set back a minimum of 25 feet from the water feature. (Exceptions may be given if significant opportunity has otherwise been provided on the site for public access to the water feature.)
- (2) Parking lots will be permitted if set back a minimum of 50 feet and completely screened from view from the top of the bank of the water feature.

- (3) No service areas, loading bays, mechanical equipment or storage areas are permitted in front yards facing the Core Area water feature.
 - (4) Landscaping adjacent to a Core Area water feature shall be designed to integrate with the adjacent building(s) landscaping.
 - d. Exterior yard (includes areas adjacent to I-205, Airport Way and 82nd Avenue).
 - (1) All buildings shall have a maximum height to setback ratio of 1:1.5 with a required setback not to exceed 75 feet from the property line.
 - (2) Parking lots will be permitted if screened from roadways and shall be set back at least 25 feet from the property line.
 - (3) The landscaping along Airport Way and I-205 shall enhance views into the site and provide a consistent natural edge to the site.
 - (4) Loading bays, service areas and storage areas shall not be permitted in the Exterior Yard.
 - e. Interior yard (includes areas facing adjacent parcels and secondary sloughs).
 - (1) All buildings, parking lots, loading, service, storage, and vehicular circulation areas shall be set back at least 10 feet from the property line.
 - (2) Where drainage or other easements are wider than 10 feet, the minimum setback shall correspond to the easement width.
 - (3) Landscaping shall cover all otherwise undeveloped ground.
 - f. Columbia Slough buffer.

No development will occur within 50 feet of the top of the bank of the Columbia Slough, except for the 40 Mile Loop Trail system and landscaping compatible with the natural vegetation.
 - g. Light rail.

Special design consideration will be given to property adjacent to the future light rail line on a case-by-case basis. Both aesthetic and operational criteria will be discussed at the predesign conference, and specific standards developed for that project.
- 3. Access.**
- a. Curb cuts.

Curb cuts providing vehicular access to and from a site shall be a minimum of 25 feet from adjacent property lines, except where a shared driveway is required to provide access for adjoining parcels. For corner lots, a minimum distance of 50 feet shall be provided between the tangent point of a corner radius and the closest edge of a driveway.

All curb cuts on the same site shall be at least 200 feet apart. There shall be no more than two curb cuts to a site from any one street. Landscaping and signage shall not obstruct lines of sight for traffic entering and exiting driveways.
 - b. Driveway width.

Driveways accommodating truck traffic shall have an unobstructed minimum width of 20 feet for one-way traffic and 30 feet for two-way traffic. Driveways used only by automobiles may be a minimum of 12 feet wide for one-way traffic and 24 feet wide for two-way traffic. Curb cuts for driveways shall meet City of Portland requirements.

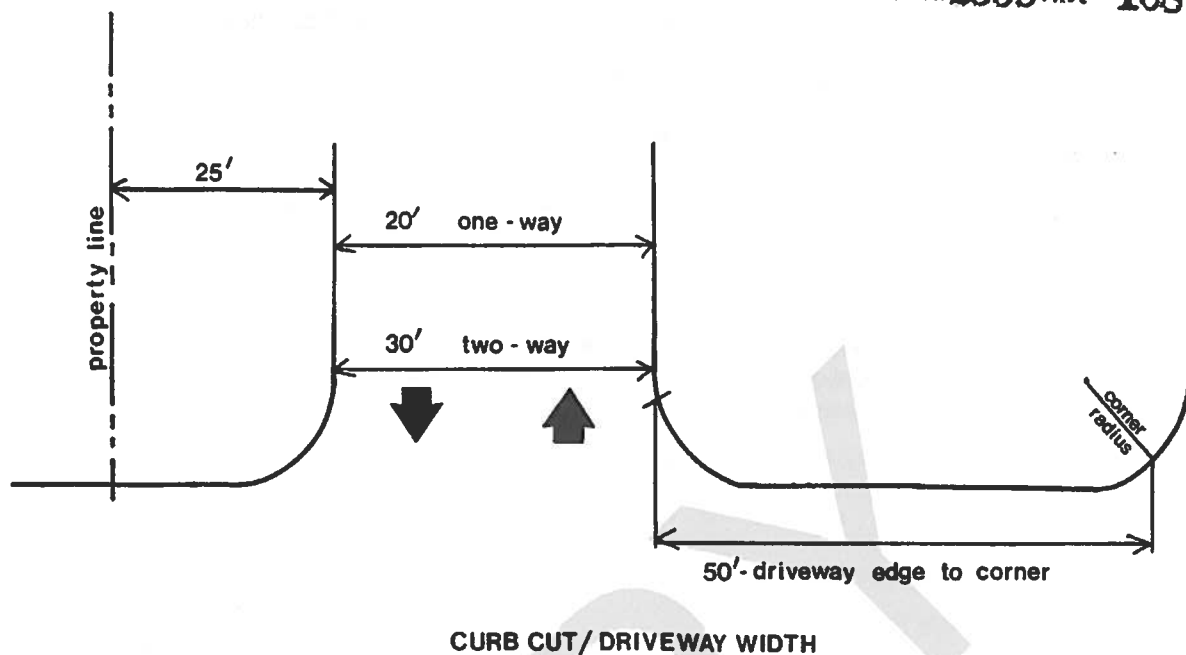


Figure 2

c. Emergency vehicle access.

Access for emergency vehicles shall be provided which meets City of Portland requirements.

4. **Parking**

All City of Portland parking requirements shall be met. In addition, the following Port standards shall be met:

a. Minimum number of required spaces.

(1) Restaurant:

One space/100 sq. ft. of patron serving area.

(2) Hotel and conference:

One space/hotel room. Additional parking may be required for conference space.

(3) Office:

One space/300 sq. ft.

(4) Flex:

One space/400 sq. ft. Provision of additional spaces may be required where higher intensity employment (i.e., high percentage of office use) is anticipated.

(5) Light manufacturing:

One space/600 sq. ft. up to 50,000 sq. ft., one space/800 sq. ft. for 50,000-100,000 sq. ft., and one space/1000 sq. ft. over 100,000 sq. ft.

(6) Warehouse/distribution:

One space/1000 sq. ft. up to 100,000 sq. ft and one space/2000 sq. ft. over 100,000 sq. ft.

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b. Vehicular Circulation & Parking lot design.

All parking lots shall incorporate a hierarchical vehicular circulation system (i.e. collector and feeder aisles) in order to make efficient, safe use of the lot. Parking lots shall also be designed to maximize the safe, efficient movement of pedestrians from their vehicles to the building(s) with minimal conflict with vehicular movements.

The design and layout of all parking lots shall conform to City of Portland standards. In addition, these basic requirements shall be followed:

(1) Parking areas with more than 20 spaces shall be divided by landscaped islands. The overall objective for all parking areas will be to have a landscaped island for every ten spaces. Each of these islands shall be at least 5 feet wide and a minimum of 50 square feet. (Additional landscaped areas may be needed to meet City requirements, but do not have to meet these minimum dimensional standards.)

(2) Standard parking stalls, aisle widths and maneuvering areas shall adhere to City of Portland standards.

c. On-street parking.

No on-street parking shall be permitted.

d. Company fleet vehicles.

Fleet vehicle parking shall only be permitted in parking or storage areas which are completely screened from view from the street.

e. Landscaping.

All parking areas shall be screened by perimeter landscaping, and designed with landscape islands. See Section D.4., Landscape Standards for specific landscape standards.

f. Surfacing.

All permanent and temporary parking areas shall be: (1) paved with asphalt or concrete; (2) properly graded and drained; and (3) of adequate strength for the expected traffic. All parking stalls and direction of traffic shall be clearly marked on the paved surface.

5. Service, loading, and special equipment areas.

a. Service and loading areas.

(1) Service and loading areas may only be located in interior yards, and shall not extend into a landscaped setback area.

Special consideration may be given to allow a loading area in the front yard for warehouse and distribution uses along Alderwood Road. A variance may be given if the following requirements are met: (a) the dimensions of the parcel do not reasonably permit a design which includes interior yard loading areas; (b) the loading area is set back a minimum of 25 feet from the property line; and (c) the building is set back a minimum of 120 feet from the back edge of the screening.

(2) Loading and service areas shall be completely screened to a height of 6 feet, from the street, adjacent properties, and the Columbia Slough buffer area.

(3) All loading operations shall be located on site. Off-site loading is prohibited.

(4) All loading areas shall be designed with adequate maneuvering areas to accommodate all vehicle movements within the property lines.

(5) All service and loading areas shall be paved with asphalt or concrete.

b. Refuse collection areas.

Refuse collection areas may only be located within internal courtyards, rear or side yards but shall not extend into required setbacks. All refuse collection shall be fully screened and gated with a solid perimeter wall using materials and colors which are compatible with the adjacent building. The wall shall be a minimum of 6 feet in height.

c. Outdoor storage.

- (1) No equipment, material, or supplies shall be stored on-site, except within a closed building or a screened outdoor storage area.
- (2) Screened outdoor storage may only be located in an interior yard and shall not extend into a setback area. The area shall be completely screened from view from the street and adjacent property, using either a solid landscape screen and/or a solid perimeter wall constructed of materials compatible with the adjacent building. The screen or wall shall be a minimum of 8 feet in height.
- (3) All outdoor storage areas shall be paved with asphalt or concrete.
- (4) All outdoor storage areas shall be shown on site plans.

d. Storage tanks.

- (1) All storage tanks shall comply with Federal, State and City of Portland requirements.
- (2) Above-ground storage tanks shall be screened to the extent possible with a solid perimeter wall using materials and colors compatible with the adjacent building. The wall shall be a minimum of 6 feet in height.

6. Utilities.**a. Utility locations.**

All utilities shall be brought underground into the site and to the buildings. Tenants will be responsible for cost of extending utilities into the site.

b. Easements.

- (1) Port easements shall be obtained prior to installation for all utilities crossing Port property, including sanitary sewer, storm sewer, water, gas, electricity, and telephone. Port easements will not be withheld unreasonably.
- (2) Removal and replacement of Port facilities in connection with the construction of utilities shall be in conformance with Port specifications and under Port supervision.
- (3) Indemnities shall be provided to the Port in accordance with the CC&Rs for the use of Port easement areas.

7. Site drainage.

Surface drainage shall not be directed toward adjacent property. All surface and storm drainage shall meet City of Portland requirements.

8. Pedestrian circulation.**a. Sidewalks and trails.**

- (1) Internal Access Roads - Concrete sidewalks shall be provided on both sides of the street. The sidewalk shall be set back a minimum of 5 feet from the curb and shall be a minimum of 5 feet in width.
- (2) 40-Mile Loop Trail - The Trail shall be provided along the Columbia Slough within the 50-foot setback area in a location acceptable to the City of Portland and shall be constructed to City standards.

b. On-site pedestrian improvements.

- (1) Direct pedestrian access separated from vehicular circulation areas shall be provided from the public sidewalk to each building.
- (2) Safe and adequate pedestrian access shall be provided from parking and vehicular circulation areas to buildings.
- (3) Pedestrian linkages between adjacent sites are encouraged where necessary to facilitate the efficient movement of people within the Center, reduce traffic congestion, and enhance the open, campus-like setting.
- (4) Access to the 40-Mile Loop Trail shall be provided from each site adjacent to the trail easement.

9. Mailboxes.

The location of all mailboxes shall be illustrated on the landscape plan. Residential type mailboxes are not permitted.

10. Height restrictions.

Refer to the height restriction map (Figure 3) to identify the maximum permissible height for a particular site. The stated height includes all building features, including penthouses, utility enclosures, flag poles, lighting fixtures and poles, and landscaping.

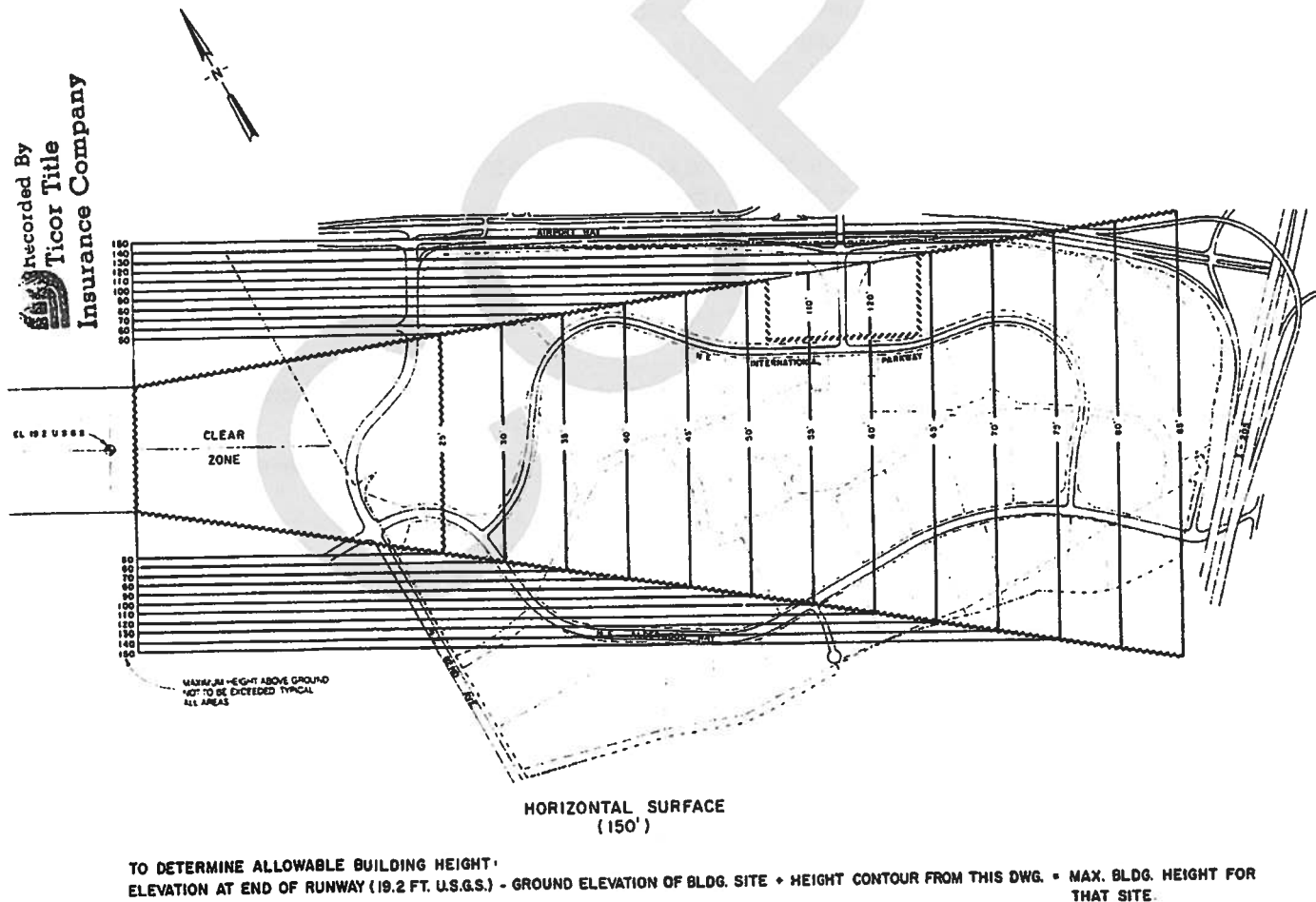


Figure 3

C. Building Standards

High quality architectural design and a compatible architectural theme for all facilities constructed within the Portland International Center is important. The building standards allow individuality and creative design, while maintaining sensitivity to the environment, architectural integrity, and an image of permanence.

1. Buildings.

Within the Portland International Center, all building designs should give special consideration to:

- Orientation toward major streets and thoroughfares.
- The character of surrounding development.
- Energy conservation through facility design.
- Optimization of views and vistas.
- The natural environment and open space features.

In addition, the use of the following design elements are encouraged:

- Formal entrance drives.
- Highlighted visitor entry plazas.
- Employee entry plazas and lunch areas.
- Accent and architectural lighting.
- Atriums and interior courts.
- Dynamic building and roof forms.
- Striking window patterns.

2. General building design requirements.**a. Architect.**

All buildings shall be designed by an Oregon-registered architect. All buildings shall conform to the requirements of the Oregon State Energy Code, Handicap Code, and governing building codes.

b. Architectural style.

The use of contemporary, innovative architectural styles is strongly encouraged. The use of unusual or eccentric architectural elements which would detract from the quality image of the Portland International Center will not be allowed.

3. Building exteriors.**a. Materials/colors/details.**

High quality building materials of a permanent, low-maintenance type shall be used on all exterior walls of a building. Colors, form, and texture shall be used consistently and sensitively throughout each site.

All colors are to be harmonious. Bright, primary colors shall be used with restraint and shall be integrated with the overall building design.

The use of two or more exterior colors is strongly encouraged, to enhance the building and to create design accents. Accent colors shall complement the main building color, and shall not be highly contrasting.

b. Parapets/canopies/facias.

The use of canopies, parapets, and facias is encouraged to break up large, uniform wall surfaces. Such features shall be in proportion to wall heights and building mass.

c. Metal buildings.

Preengineered metal buildings are prohibited. Metal-clad buildings or buildings with metal exterior features may be permitted if proposed by the architect as part of a high quality building design. These buildings will receive special scrutiny by the Port to ensure that high structural and aesthetic standards are maintained.

4. Roof treatment/penthouses/mechanical equipment screens.

Roofs shall be attractively designed and constructed. All mechanical equipment located on roofs shall be fully screened from street views. Penthouses shall be an integrated part of the building facade and shall be constructed of compatible materials. Signs, letters, designs, or other graphics shall not be painted or placed on roofs. Materials used for roofs shall have a nonglare surface.

Satellite dishes, antennas, or any other communication equipment shall not be mounted on the roof.

5. Mechanical equipment and utility boxes.

All above-ground mechanical equipment and utility boxes shall be fully screened from view of adjacent property and streets.

6. Temporary buildings.

Trailers, mobile offices, and other temporary structures will not be permitted, except during construction. All temporary buildings shall be removed from the site after the certificate of occupancy is issued.

D. Landscape Standards

The term "landscaping" shall refer to all areas within the project not utilized for buildings, parking spaces, service areas, vehicular circulation, truck loading, mechanical equipment, or refuse collection. Landscape areas shall include all walkways and other pedestrian areas. All land not covered by buildings, structures, or paved surfaces shall be landscaped. All areas not planted with trees or shrubs shall be planted with groundcover or lawn. No unlandscaped area will be accepted except where phased development is occurring. All undeveloped area shall be rough seeded and mowed.

1. General landscape design requirements.**a. Concept.**

Landscape treatment of open areas shall provide a strong visual identity for the business park. The landscaping of individual sites should complement and enhance the common area landscaping. Site landscaping shall be designed to contribute to the visual unity of the project as a whole, rather than call attention to individual parcels. The use of significant existing vegetation in landscape plans is strongly encouraged.

b. Landscape architect.

All landscape and irrigation drawings submitted for approval shall be stamped by an Oregon-registered landscape architect.

c. Berms.

The use of berms throughout a landscape design is highly encouraged. When used, the berms should vary in height and shall be fully landscaped with lawn and/or groundcovers and shrubs. The maximum slope of a berm shall be 5:1 for lawn. Berms may be steeper if planted with another groundcover which can be adequately maintained on a steeper slope.

d. Irrigation.

An underground, automatic irrigation system shall be provided for all plant material.

2. Internal access roads (labeled Secondary Access Roads on the Master Plan).

a. The Roadway Zone landscape area, including sidewalks, shall be a minimum of 15 feet wide on both sides of the road, measured from the edge of the curb.

b. Street trees shall be planted in formal rows with appropriate spacing to achieve an interlocking canopy. The Port will provide the name of the tree species.

c. No shrubs greater than 4 feet in height are allowed at intersections and driveways.

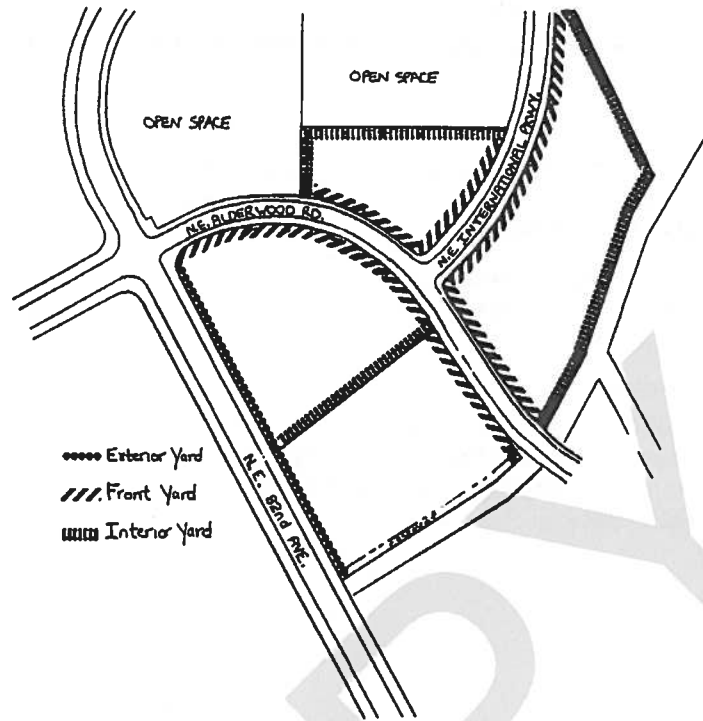


Figure 4

3. Setback zones.

Landscaping in all setback areas shall enhance buildings, form visual connections to other open areas, provide buffering and screening as necessary, and create visual links between adjacent building sites.

a. Front yard, exterior yard, and interior yard.

- (1) All landscaping shall be designed to integrate with adjacent street landscaping.
- (2) Deciduous, accent, and evergreen species should be selected from the recommended tree list (see Appendix B).
- (3) Evergreen trees shall only be planted in small groups.
- (4) Shrub species should be selected from the recommended shrub list (see Appendix C).
- (5) The primary ground cover in the front and exterior yards shall be lawn. Other ground covers may only be planted in interior yards and as part of parking area landscaping. Ground covers should be selected from the recommended groundcover list (see Appendix D).
- (6) Exterior yard landscaping shall emphasize views into the site and an edge that is consistent with adjacent properties.
- (7) Interior yard plant materials shall be selected to integrate the building with surrounding landscaping and adjacent building sites and to avoid harsh visual edges along property lines. Native plant materials shall be the predominant species used adjacent to secondary sloughs and drainage courses.

b. Columbia Slough buffer.

Landscaping shall be designed to enhance the natural setting of the slough. Native vegetation shall be used for all plantings.

c. Light rail setback.

Landscaping shall be designed to discourage access across the rail line, while providing aesthetic views.

4. Parking areas.

Landscaping shall be used in island planters and as perimeter screening from adjacent streets and property.

a. Island planters.

- (1) Island planters shall be provided for every ten parking stalls in areas with 20 or more spaces. Where necessary to preserve significant natural vegetation, an irregular pattern of landscaped islands may be used.
- (2) Landscaping is required for all parking islands. The use of horizontally branching trees is strongly encouraged except for truck turning areas, to create a canopy which reduces glare and excessive heat.

b. Perimeter screening.

Parking lots shall be screened from the street and adjacent property by a combination of berms, shrubs, and trees. A complete (100 percent) screen shall be provided to a minimum height of 2 1/2 feet, measured from the parking lot surface. A partial landscape screen should be provided to a height of at least 5 feet.

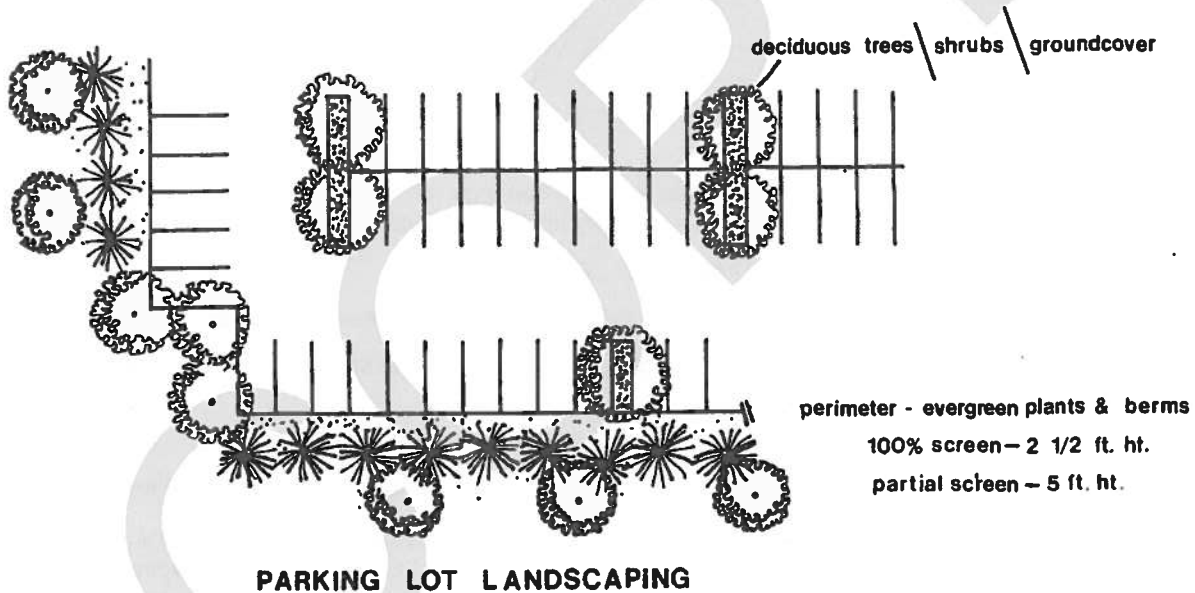


Figure 5

c. Plant variety.

All plant material should be selected from the recommended parking area plant list (see Appendix E).

5. Building entries.

Landscaping adjacent to pedestrian entries should satisfy the following objectives.

- a. Channel pedestrian traffic from parking areas to buildings.
- b. Provide areas for annual or seasonal color that create accents for the building entries.
- c. Emphasize the entries of the buildings while providing continuity of landscape material within the building site.

C. Building Standards

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Satellite dishes, antennas, or any other communication equipment shall not be mounted on the roof.

5. Mechanical equipment and utility boxes.

All above-ground mechanical equipment and utility boxes shall be fully screened from view of adjacent property and streets.

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Trailers, mobile offices, and other temporary structures will not be permitted, except during construction. All temporary buildings shall be removed from the site after the certificate of occupancy is issued.

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b. Landscape architect.

All landscape and irrigation drawings submitted for approval shall be stamped by an Oregon-registered landscape architect.

c. Berms.

The use of berms throughout a landscape design is highly encouraged. When used, the berms should vary in height and shall be fully landscaped with lawn and/or groundcovers and shrubs. The maximum slope of a berm shall be 5:1 for lawn. Berms may be steeper if planted with another groundcover which can be adequately maintained on a steeper slope.

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a. The Roadway Zone landscape area, including sidewalks, shall be a minimum of 15 feet wide on both sides of the road, measured from the edge of the curb.

b. Street trees shall be planted in formal rows with appropriate spacing to achieve an interlocking canopy. The Port will provide the name of the tree species.

c. No shrubs greater than 4 feet in height are allowed at intersections and driveways.

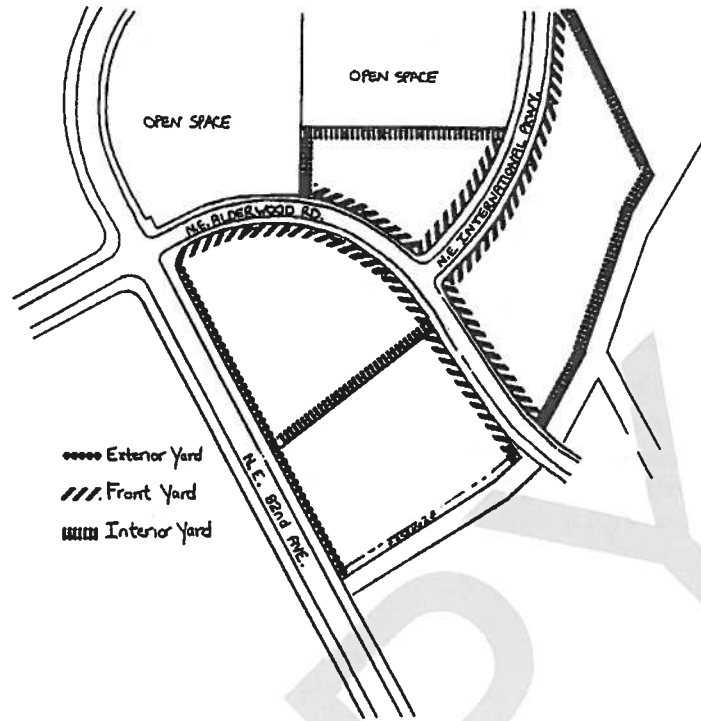


Figure 4

3. Setback zones.

Landscaping in all setback areas shall enhance buildings, form visual connections to other open areas, provide buffering and screening as necessary, and create visual links between adjacent building sites.

a. Front yard, exterior yard, and interior yard.

- (1) All landscaping shall be designed to integrate with adjacent street landscaping.
- (2) Deciduous, accent, and evergreen species should be selected from the recommended tree list (see Appendix B).
- (3) Evergreen trees shall only be planted in small groups.
- (4) Shrub species should be selected from the recommended shrub list (see Appendix C).
- (5) The primary ground cover in the front and exterior yards shall be lawn. Other ground covers may only be planted in interior yards and as part of parking area landscaping. Ground covers should be selected from the recommended groundcover list (see Appendix D).
- (6) Exterior yard landscaping shall emphasize views into the site and an edge that is consistent with adjacent properties.
- (7) Interior yard plant materials shall be selected to integrate the building with surrounding landscaping and adjacent building sites and to avoid harsh visual edges along property lines. Native plant materials shall be the predominant species used adjacent to secondary sloughs and drainage courses.

b. Columbia Slough buffer.

Landscaping shall be designed to enhance the natural setting of the slough. Native vegetation shall be used for all plantings.

c. Light rail setback.

Landscaping shall be designed to discourage access across the rail line, while providing aesthetic views.

4. Parking areas.

Landscaping shall be used in island planters and as perimeter screening from adjacent streets and property.

a. Island planters.

- (1) Island planters shall be provided for every ten parking stalls in areas with 20 or more spaces. Where necessary to preserve significant natural vegetation, an irregular pattern of landscaped islands may be used.
- (2) Landscaping is required for all parking islands. The use of horizontally branching trees is strongly encouraged except for truck turning areas, to create a canopy which reduces glare and excessive heat.

b. Perimeter screening.

Parking lots shall be screened from the street and adjacent property by a combination of berms, shrubs, and trees. A complete (100 percent) screen shall be provided to a minimum height of 2 1/2 feet, measured from the parking lot surface. A partial landscape screen should be provided to a height of at least 5 feet.

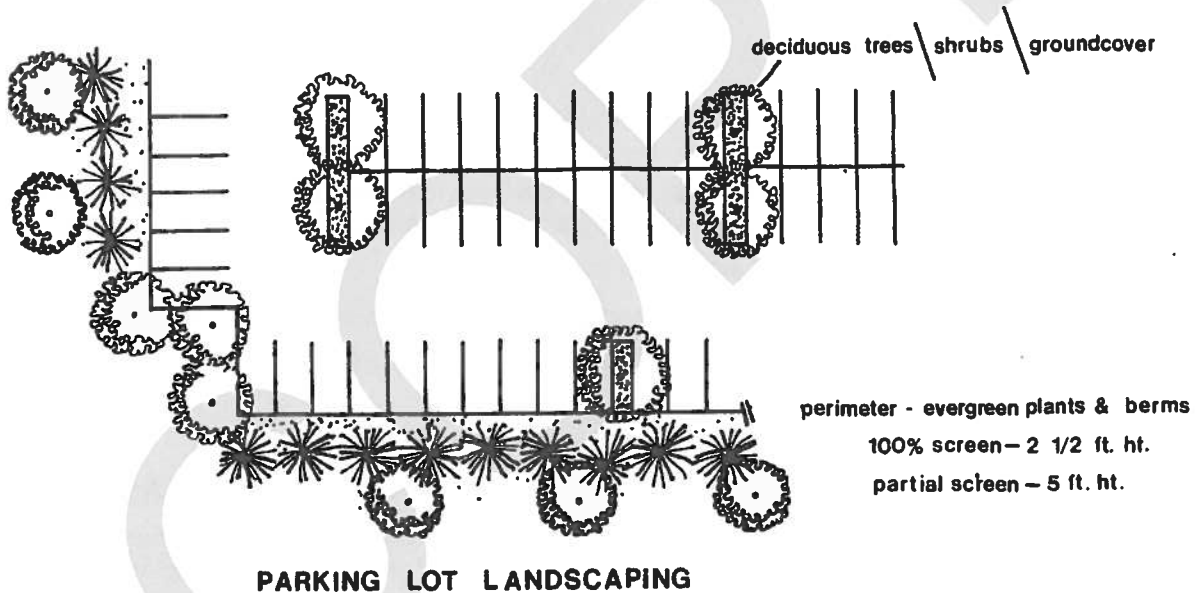


Figure 5

c. Plant variety.

All plant material should be selected from the recommended parking area plant list (see Appendix E).

5. Building entries.

Landscaping adjacent to pedestrian entries should satisfy the following objectives.

- a. Channel pedestrian traffic from parking areas to buildings.
- b. Provide areas for annual or seasonal color that create accents for the building entries.
- c. Emphasize the entries of the buildings while providing continuity of landscape material within the building site.

6. Fences and walls.

- a. Wall and fence design, color, and materials shall complement the landscaping and architecture.
- b. Perimeter fencing and walls around the entire site shall not be permitted.
- c. Chain link fencing is prohibited, except in interior yards of industrial property along Alderwood Road. If chain link fencing is used in interior yards, it must be completely screened from view by landscaping from both Alderwood Road and the 40-Mile Loop Trail along the Columbia Slough.
- d. No fence or wall shall exceed 8 feet in height, except to screen mechanical equipment, outdoor storage areas, and storage tanks.
- e. Evergreen trees, shrubs, or vines shall be provided on the exterior side of all screening walls and fences and shall screen at least 50 percent of the wall or fence surface.

7. Utility and mechanical equipment/boxes screening.

Pad-mounted transformers and other utility and mechanical equipment installed above ground shall be completely screened from view with plant material that is consistent with utility company regulations and compatible with the surrounding landscaping.

8. Bird control.

Due to the close proximity of Portland International Center to Portland International Airport, the bird population in the area must be controlled for aviation safety. To do so the following requirements shall be met:

- a. Fruit-producing landscape plants shall be kept to a minimum.
- b. All rough seeded areas shall be maintained at a height of less than 5 inches.

9. Planting requirements.**a. Plant lists and materials.**

- (1) Plant lists have been developed for landscaped setback areas and parking areas. Plants used in these areas should be selected from the recommended plant lists (see Appendixes B, C, D, and E).
- (2) When adjacent properties are landscaped, plant materials used shall be complementary to the developed property.

b. Planting size.

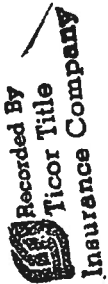
The minimum planting size for trees shall be 2 1/2-inch caliper. Use of larger trees is strongly encouraged. Ornamental trees used for accent may be smaller, but must be in scale with the surrounding plant materials. Minimum tree height shall be 8 to 10 feet. Shrubs shall have a minimum planting size of 3 gal. and 12-24 inch height, and a spread of 12 inches. At least 50 percent of the shrubbery shall have a minimum height of 24 inches at planting time. Groundcover shall be of a size and density to fill in within two years of planting.

c. Mowing Strips.

Mowing strips shall be provided as necessary to separate areas maintained by the Tenants Association, from the area maintained by the tenant. The mowing strip shall be constructed of wood or concrete and shall be a minimum of 4" wide and 2" deep.

d. Planting installation/timing.

All required landscaping shall be fully installed within six months after substantial completion of the associated improvements.



E. Lighting

Lighting shall be designed to enhance the overall character of PIC and shall promote safety, security, and efficiency throughout the site.

1. General requirements.

- a. Street lighting on internal access roads shall conform to City of Portland standards.
- b. On-site lighting shall contribute to the safety and site security.
- c. Lighting levels, colors, and fixture types shall be consistent throughout the site and shall complement the architecture and landscaping.
- d. The use of high-pressure sodium lamps is recommended, except as noted below.
- e. All lighting shall use cut-off fixtures. No lighting shall cast glare onto adjacent parking lots, buildings, and streets.
- f. Uplighting shall be designed to prevent interference with aircraft.
- g. Wooden light poles shall not be permitted.
- h. All light levels are to be considered "Average Maintained" utilizing factory certified maintenance factors.

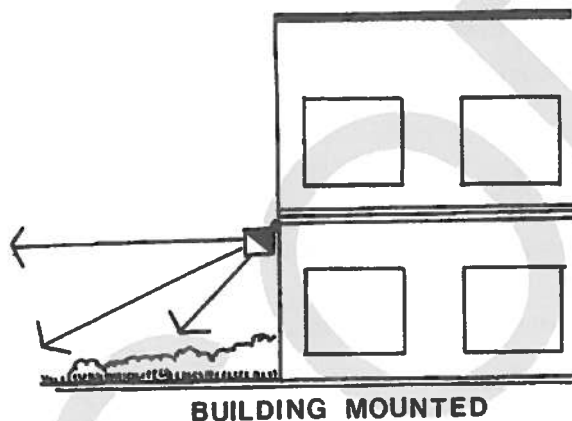
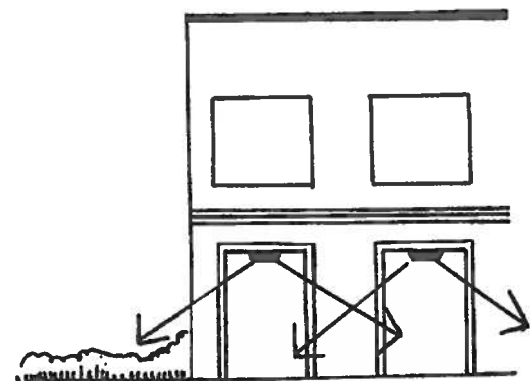
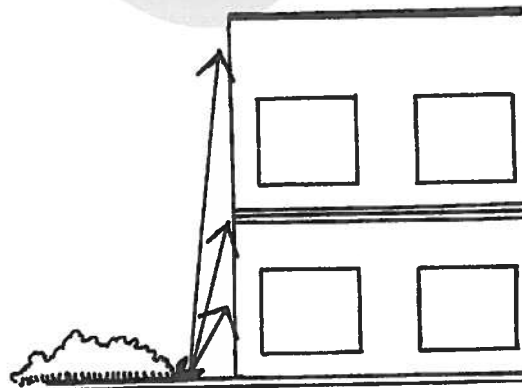
**BUILDING MOUNTED****ILLUMINATION FROM BUILDING****WALL WASH**

Figure 6

2. Parking areas, driveways, and internal vehicular circulation areas.

- a. Hotel and retail commercial parking areas shall have pole-mounted, cut-off lamp fixtures to create a washing effect. Pole heights shall be 20 to 30 feet. Foot candle range: 2-3 with a 6:1 average to minimum with a .33 foot candle minimum.
- b. Other parking area lights shall be pole-mounted with sharp cut-off lamp fixtures. Pole heights shall be in the range of 20 to 30 feet. Foot candle range: 1 to 2 with a 6:1 average to minimum with a .17 foot candle minimum.
- c. Main entrances to parking lots shall have pole-mounted, cut-off lamp fixtures. Required foot candle range (3 to 5) shall be higher to provide a visual signal of entry and provide additional illumination for safety purposes. Pole height shall be consistent with parking lot lights (20 to 30 feet.)

3. Building and architectural.

- a. Lighting shall be designed to highlight and not dominate the design of the building.
- b. Exposed light fixtures are prohibited. No visible light source will be permitted.
- c. All architectural lighting shall be indirect wall lighting (i.e., "wall washing"), overhead downlighting or interior illumination which spills outside.
- d. Formal entries of hotel and retail buildings shall use recessed or wall-pack fixtures to create an indirect "wall washing" effect. Metal halide (or equivalent) lamps are recommended. Foot candle range: 5 to 10. Side entries will use controlled cutoff, wall-pack fixtures with a foot candle range of 3 to 5.
- e. Main entries into industrial buildings shall use recessed or wall-pack fixtures at a foot candle range of 3 to 5. Secondary entries will use wall-pack or flood light fixtures with a foot candle range of 1 to 2.

4. Service areas/loading areas.

- a. Service area lighting shall be contained within the boundaries of the screening wall (no light shall spillover to areas outside of the service or loading areas.)
- b. The light source shall not be visible from the street or adjacent property.
- c. Service/loading area lighting shall use wall-pack or flood light fixtures with a 3 to 5-foot candle rating, with a minimum of .5 to 1 foot candle.

5. Pedestrian paths and pedestrian areas.

- a. Emphasis shall be placed on clearly defining the path.
- b. Low-level point-to-point lighting is acceptable for pedestrian paths.
- c. Outdoor pedestrian areas (i.e., courtyards, entries, etc.) and paths shall use either lamps mounted in bollards or on 8 to 10 foot posts, or other treatments which provide adequate illumination. Metal halide lamps are recommended. Foot candle range: 2 to 3 for areas; 0.5 to 1 for paths.

F. Electronic Communication Equipment**1. Location.**

Electronic and communication equipment shall only be located in interior yards and shall not be located within 50 feet of the front property line. Such equipment shall not extend into landscaped setback areas.

2. Screening.

Electronic and communication equipment shall be screened with landscaping so that the site will appear to be free of such devices. To aid in screening, it is suggested the equipment be painted/coated black or dark brown.

G. Signs

Signs are an important element contributing to the identity of the Portland International Center and are intended to add to the aesthetic appeal of the area. The use of signage shall be coordinated with landscape and building elements and shall complement the overall design of the Center. Consistent colors, materials, and typography for all signs will contribute to the high quality image of the Park.

1. Sign plan requirement for all lots.

Whether a developer/owner chooses to use the customized sign system developed for PIC or design their own system, all development projects within PIC are required to prepare and maintain a sign plan.

This plan must illustrate all of the proposed signs, sizes, legends, sign locations, materials and elevations proposed for each project. The Port shall review and approve the sign plan prior to a developer/owner obtaining sign permits from the City of Portland. Any subsequent modification of an approved sign plan must be reviewed and accepted by the Port.

a. Developer designed signage.

A developer/owner may choose to establish an internal sign plan within an individual project that varies somewhat from the customized sign system for PIC. An independent sign plan will be approved if the signage is designed as an integral part of the architecture and landscaping design of that development. The Project Identification Sign (Sign 1), and the Temporary Sign (Sign 7A) described later in this manual are common to all developments within PIC and cannot be designed as a part of a developer designed system. All other signs can be designed as a part of an approved integrated sign system. Specific design guidelines are described in the discussion of each individual sign type.

b. Signs along the public right-of-way.

As a part of the PIC sign system, the signs along the public right-of-way in Portland International Center have a common design. These signs include: Portland International Center entry signs, general project directories on Alderwood Road and International Parkway, directional guide signs to special services or accommodations within PIC. These signs will be maintained by the PIC tenants association.

c. Hotel signage.

As is required for all lots within PIC, a sign plan must be prepared for all designated hotel sites. The plan must illustrate the types of signs, legends, sizes, sign locations, materials and elevations.

In general, the hotel sites shall use the parameters established by this manual. However, it is also recognized that hotel sites are unique within PIC and greater flexibility may be appropriate. The Port will work with a developer/owner and shall review and approve the sign plan.

2. Signs allowed as part of development lots.

The following are general descriptions for the use of each type of sign that might be placed by developers/owners or tenants on development lots. A detailed description of each sign and the size, color, location and the material choices are provided on the following pages.

a. Sign 1: Project Identification Sign

A developer/owner may choose to place, adjacent to the street right-of-way, an internally illuminated double face freestanding sign to identify the lot address(es), corporate or project name, logo or signature. If this sign is used, it must follow the PIC design specifications.

b. Sign 2: Site Directory Sign

(1) Area Directory Sign—Projects with more than one building may choose to provide a sign that lists all the tenants and corresponding addresses. A map of the building layout is included in the sign.

(2) Building Directory Sign—A developer/owner of a single building may choose to provide a sign that identifies tenants for multi-tenant buildings which have individual entrances for each occupant.

- c. **Sign 3: Business Identification—Multiple Entrance**
A ground mounted or building mounted sign may be used to identify tenant businesses and street addresses and suites in buildings when each tenant has an individual entrance.
- d. **Sign 4: Business Identification—Office/Single Entrance**
Freestanding or building mounted signs may be used in addition to the project identification sign to identify the building address and the occupant or building name.
- e. **Sign 5: Fascia Mounted Signs**
Fascia mounted signs are used to identify a primary tenant or the name of a hotel. These signs are limited to buildings adjacent to Airport Way and I-205. A single identification may be placed on the surface of the building in an upper corner of the structure.
- f. **Sign 6: Accessory Signs**
 - (1) **Address Sign**—Separate street address signs may be mounted on each building.
 - (2) **Directional**—Signs used to guide the public to a specified location within a project.
 - (3) **Informational**—Signs used to identify receiving and service areas, and to provide general visitor information.
 - (4) **Regulatory**—Traffic regulatory and warning signs installed as required.
- g. **Sign 7: Temporary Signs.**
 - (1) **Marketing Sign**—Used to identify land or space for lease or to identify a future project.
 - (2) **Construction Sign**—Used to identify a construction site and/or lender associated with the project.

3. Sign 1: Project identification sign.

This standard double face freestanding sign is placed along the street right of way to identify a development. The use of a project identification sign is optional. If used, it shall follow a standard design common to all office buildings, single tenant buildings and multi-tenant buildings. Upon request, the Port will supply fabrication drawings and specifications.

Size: The identification panel of the sign is approximately 20 square feet in area with a five (5) square foot address panel. The sign is placed four (4) feet in height from finished grade level to the base of the sign panel. See figure 7.

Location: The sign is placed two (2) feet behind the edge of the landscape easement or two (2) feet behind the edge of the property line if no landscape easement exists. It is mounted perpendicular to the street. One free-standing sign will be permitted to identify each project along public roadways. See figure 8. No other freestanding identification sign or monument, advertising sign, or bill board shall be permitted.

Legend: Street address numbers are displayed on the top panel above the identification panel. The address numbers must be six (6) inches high. The typographic



Figure 7

standard for address numbers is Berthold Bodoni Old Face Medium. The identification panel may include the corporate or facility name, logo or signature. The primary logo and address numbers are cut out of aluminum plate as silhouette forms and illuminated internally. The graphic standard for the logo will be chosen by the tenant.

Color: All sign frames and uprights are a neutral beige (Akzo 117-C-2), the address panel that spans the top of the sign may be one of three deep saturated colors: deep burgundy (Akzo 104-G-2), dark blue (Akzo 167-G-5), and dark green (Akzo 152-G-3). The color of the large identification panel shall be a compatible medium value color. Upon request, examples of color combinations are available from the Port. The identification panel color chosen by the owner/developer may be a corporate color and/or a color used as an accent in the project.

Illumination: The identification panel and address number on the upper panel and core frame are illuminated using fluorescent tubing placed in sealed light cabinets behind the panel. The sign shall be illuminated at all times.

Materials: The sign is fabricated using an aluminum tubing and brake formed aluminum plate with machined mechanical fasteners. All parts of the sign are finished using acrylic polyurethane coatings. Address and primary identifiers are routed from sheet aluminum.

4. Sign 2: Site directory signs.

Two different signs are described in this category, an area directory and a building directory sign.

- a. **Area Directory**—Projects with more than one building may choose to provide this sign at the entry. This sign lists each tenant in an exterior strip directory that also includes the street address number (with suite identification letter if provided). A corresponding map of the multiple building layout is a part of this directory incorporated into the directory frame. A developer/owner may choose to use the customized PIC directory sign or build a directory approved as part of an integrated sign plan for the project. Specifications for the PIC directory are generally described below and illustrated by figure 8. Upon request, the Port will supply fabrication drawings and specifications. Specific design requirements for a developer designed directory are also provided.

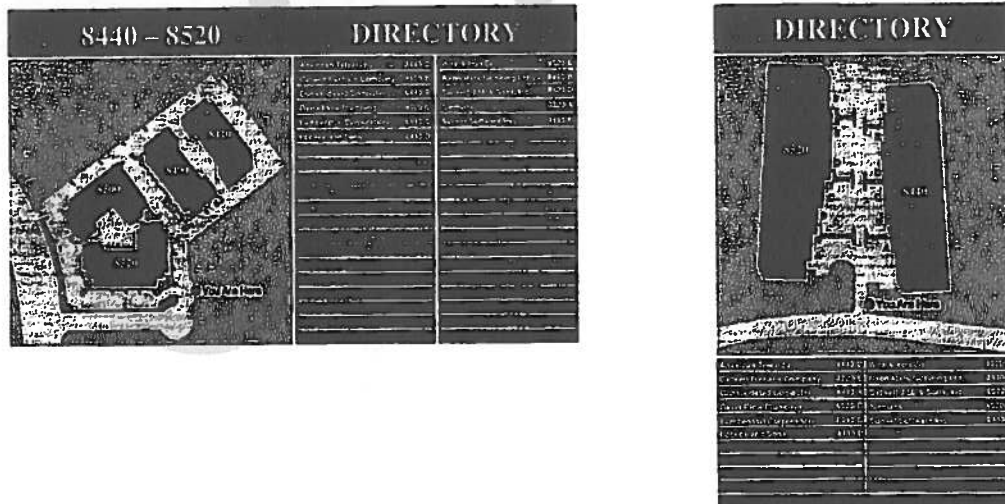


Figure 8

PIC Sign System:

Size: The size of the directory shall not exceed 24 square feet (excluding the base) or a height of more than 6 feet from ground level. Signs shall not be placed on top of berms, but may be set into a berm. The area of the map will vary with directory strips mounted in columns to the right side of the sign or in a split column format below the sign. A header panel across the top of the assembly identifies the project. See figure 8 for examples.

The directory panel is mounted using the specifications available from the Port; or it may be mounted in a frame consistent with an approved integrated sign plan for the project.

Legend: The legends on the sign should be as simple as possible. The header panel will identify the project name, or the building address numbers with the word "Directory". The typographic standard for the header panel is Clearface Heavy. The map may be constructed using one of four ways: silk screen, computer cut, three dimensional block or painted. Each building may be identified by address number with individual tenant entries identified with a letter. Buildings with different address numbers assigned to each entry will identify them accordingly on the map. Individual directory strips show tenant name and address number. All other graphics follow standard layout grid formats and typographic standards (Helvetica, upper and lower case).

Location: This sign is most appropriately placed in a safe, accessible turn-out.

Color: The colors selected for this sign are flexible. The panel shall be a dark value color with a lighter color or white legend. Colors are to be compatible with buildings and signs within the project.

Illumination: If it is necessary to illuminate the sign, external illumination is recommended. No sign illumination shall create glare or uplighting which interferes with aircraft.

Materials: The sign shall be constructed of a fabricated aluminum with extruded directory strips (SLATZ) and acrylic polyurethane finish. Graphics are either painted or applied cut vinyl.

Developer Designed System:

Size: The size of the directory shall be appropriately sized for the project and not exceed 24 square feet (excluding the base) or a height of more than 6 feet from ground level. Signs shall not be placed on top of berms, but may be set into a berm.

Legend: The legends on the sign should be as simple as possible.

Location: The sign is most appropriately placed in a safe, accessible turn-out.

Color: The colors selected for this sign are flexible. The panel shall be a dark value color with a lighter color or white legend. Colors are to be compatible with the buildings and signs within the project.

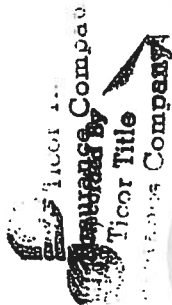
Illumination: It is recommended that external lighting be used if necessary. No sign illumination shall create glare or uplighting which interferes with aircraft.

Materials: The preferred method is the SLATZ system as described above or similar quality from sign suppliers such as ASI, AVCO or Hawkins. The sign is to be constructed of fabricated aluminum. Use of a clear plastic cover on an exterior directory is discouraged because the surface can become cloudy with age, condensation may form behind the surface, and increased surface glare may reduce legibility.

- b. **Building Directory**—This sign is intended to provide an on site directory for visitors but is not intended to be visible from the street. For individual multi-tenant buildings with separate entrances for each occupant, a free standing sign may be used to identify all tenants. The sign is a developer designed sign and is part of an approved sign plan for the project.

Size and Location: The size of the building directory sign is sized appropriately to the scale of the building, shall not exceed 20 square feet, and shall not be visible from the street. In no case shall the sign be closer than 50 feet to the property line. Design and construction of this sign shall be consistent with the integrated sign plan and approved by the Port. See figure 10 for an example.

Color: The color of the building directory sign panel shall be a middle value color compatible with the colors chosen for the buildings. Applied graphics are to be white or off-white. White or off-white sign panels are not permitted.



Materials: Signs shall be constructed of 1/8" aluminum, 1/4" plastic or 3/16" lexan painted using acrylic polyurethane coatings. Sheet metal, galvanized metal, plywood, high-density foam and gator foam are not acceptable materials.

5. Sign 3: Business identification—multiple entrance.

This sign is generally used to identify tenant businesses in buildings with individual tenant entrances. Generally, one sign per tenant per building is allowed. If a tenant has a multi-bay operation, the office entrance may also be identified using the specifications provided below.

The developer/owner may choose to design a sign as part of an approved integrated sign plan or use the sign that has been developed as a part of the PIC sign system. Examples of the PIC sign system are shown in figure 10 and described below. The specifications for a sign designed as a part of a developer designed system follow.

PIC Sign System:

The sign is designed as a square panel with a common format that is proportional regardless of size. The sign is composed of an address panel placed along the top section and an identification panel displaying the tenant name or corporate identifier (See figure 10).

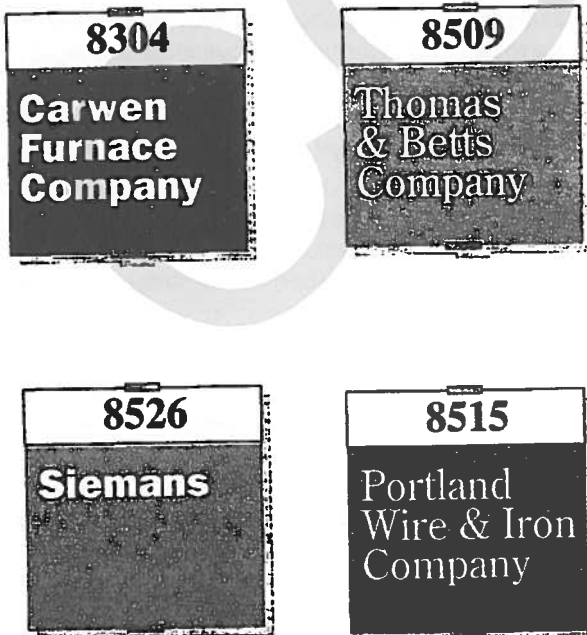


Figure 10



Figure 9

Location and Size: This type of sign is sized appropriate to the scale of the building and required viewing distances, and shall be a common size for all tenants at a specified building. Size may vary by application, although the same type of building within a project shall have uniform signage.

- **Building Mounted—** These signs are most frequently surface mounted and placed to align with an edge of a predominant feature in the architectural details of the building. Placement location shall be uniform for all panels mounted on the same building. The recommended panel sizes for surface mounted applications are 36", 42", and 48" square signs. Typically, 36" or 42" signs are appropriate on one story buildings while a two story building over 22 feet will accommodate 48" signs.

- **Ground Mounted**—These signs may also be ground mounted and placed in a planted median in front of a tenant entrance of a multi-occupant building. Recommended panel sizes for ground mounted applications are 30" and 36" square signs. This sign panel is mounted using the specifications available from the Port; or it may be mounted in a frame consistent with an approved integrated sign plan for the project. The height of a ground mounted sign shall not exceed 6 feet from the top of the sign to ground level. Signs shall not be placed on top of berms, but may be set into a berm.
- **Office Entrance**—If the tenant is a multi-bay operation, the office entrance may also be identified using a second sign. This sign may not exceed an 18" square panel and must be of the same design as the ground or building mounted sign.

Legend: The identification panel includes the corporate or facility name, logo, or signature. All graphics follow a standard layout grid format on which identification graphics are common to all within a development. The street address number is set in Clearface Heavy and is displayed on the top panel above the identification panel. The size of the address numbers on the panel are proportional to the overall panel layout and follow the specified typographic standards (See figure 10).

Color: The colors selected for the signs may follow a concept prepared by the developer which is common to all tenant facades in a building, using a specific palette with options (three or four colors). The identification panel must be a medium value or darker color with a lighter color or white legend. White or off-white sign panels are not permitted.

Materials & Illumination: Typically, these signs are not illuminated. Certain retail applications may choose illumination. Non-illuminated, building mounted panels are constructed of 1/8" aluminum or 3/16" lexan painted using acrylic polyurethane coatings. Standard pan signs may be externally illuminated using concealed ground mounted narrow beam flood lights. Graphics are non-reflective vinyl films or second surface painted. Illuminated signs are to be plastic or lexan panels with translucent sign legend and address numbers. The sign panel is opaque.

No other identification signs are allowed on buildings (except as allowed under sign 5 or 6). This includes painted signs on building walls, signs placed on back or side faces of buildings, pin mounted letter-forms, or other graphic elements.

Developer Designed Sign System:

Location and Size: This type of sign shall be sized appropriately to the scale of the building and required viewing distances, and shall be a common size for all tenants at a specified building. Size will vary by application.

- **Building Mounted**—These signs are most frequently surface mounted and placed to align with an edge of a predominant feature in the architectural details of the building. Placement location shall be uniform for all panels mounted on the same building. The sign for surface mounted applications shall be sized to integrate with the building's architecture and not exceed 16 square feet.
- **Ground Mounted**—These signs may also be ground mounted and placed in a planted median in front of the tenant entrance of a multi-occupant building. Size of the sign area shall be appropriate for the scale of the building and landscape area and shall not exceed 16 square feet. The height of ground mounted signs shall not exceed 6 feet from the top of the sign to ground level. Signs shall not be placed on top of berms, but may be set into a berm.

This sign panel may be mounted using the specifications from the Port; or it may be mounted in a frame consistent with an approved integrated sign plan for the project.

- **Office Entrance**—If a tenant is a multi-bay operation, the office entrance may also be identified using a second sign. This sign may not exceed 2½ square feet in area and a height of 1½ feet.

Legend: The sign may include the street address and corporate or facility name, logo, or signature. The height of letters shall not exceed 12 inches.

Color: The colors selected for the signs may follow a concept prepared by the developer/owner which is common to all tenant facades in a building or follow a specific palette with options (three or four colors). The sign panel must be a medium value or darker color with a lighter color or white legend. White or off-white sign panels are not permitted.

Materials & Illumination: Typically, these signs are non-illuminated. Certain retail applications may choose illumination. Non-illuminated, building mounted signs are constructed of reinforced 1/8" aluminum, 1/4" plastic, 3/16" lexan or 3/16" spandrel glass. Sheet metal, galvanized metal, plywood, high-density foam and gator foam are not acceptable materials.

No other identification signs are allowed on buildings (except as allowed under sign 5 or 6). This includes painted signs on building walls, signs placed on the back side of buildings, or other graphic elements.

6. Sign 4: Business Identification—office/single entrance.

This sign is used to identify the entrance of a single tenant building or a multi-tenant building with a common entrance. The sign is a developer designed sign that is part of an approved integrated sign plan for the project.

Location and Size: This type of sign is sized appropriate to the scale of the building and required viewing distances and typically located at the eye level of the viewer. Size will vary by application.

- **Building Mounted**—These signs are most frequently surface mounted and placed to align with an edge of a predominant feature in the architectural details of the building. The size of the sign should be sized appropriately to the building, but in no case exceed 24 square feet.
- **Ground Mounted**—This sign may also be ground mounted and placed in a planted median in front of the entrance. Again, the size of the sign should be sized appropriately to the building but in no case exceed 24 square feet. The height of a ground mounted sign shall not exceed 6 feet from the top of the sign to ground level. Signs shall not be placed on top of berms, but may be set into a berm.

Legend: The identification includes the corporate or facility name, logo, or signature.

Color: The sign panel shall be a middle value color that is compatible with the architectural detailing of the building. The colors selected for the signs may follow a corporate color scheme.

Materials: Owners may select from a wide palette of durable architectural sign materials including formed plastic, fabricated aluminum, porcelain enamel, pin mounted cut or fabricated letters, etc. with the prerequisite that the sign design complement the architecture. Sheet metal, galvanized metal, plywood, high density foam and gator foam are not acceptable materials.

Illumination: Signs may be internally illuminated. If the sign is ground mounted, flood lighting is allowed if compatible with the architecture and landscaping of the project. No sign illumination shall create glare or uplighting which interferes with aircraft.

No other identification signs are allowed on buildings (except as allowed under sign 5 or 6). This includes painted signs on building walls, signs placed on back or side faces of buildings, or other graphic elements.

7. Sign 5: Fascia mounted sign.

Placement of fascia mounted signs on buildings is limited to those adjacent to Airport Way and I-205. This sign may be mounted on the upper corner of the structure and identify a primary tenant or the name of a hotel.

Size: The sign shall be sized to fit appropriately on the building. The letters shall not exceed 36 inches in height and the trademark, if applicable, shall not exceed 48 inches. The sign shall not cover more than 30% of the length of the building wall nor exceed an area greater than 100 square feet. (e.g. a 100' long building wall would permit a sign 33 linear feet with a letter height of 36 inches for a total of 99 square feet).

Location: The sign shall be placed on the building in a way that aligns with the existing architecture. The sign shall not cross building windows or extend above the parapet wall. The sign shall be integrated into the architecture or applied as individual letter-forms.

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Materials & Illumination: Typically, these signs are non-illuminated. Certain retail applications may choose illumination. Non-illuminated, building mounted signs are constructed of reinforced 1/8" aluminum, 1/4" plastic, 3/16" lexan or 3/16" spandrel glass. Sheet metal, galvanized metal, plywood, high-density foam and gator foam are not acceptable materials.

No other identification signs are allowed on buildings (except as allowed under sign 5 or 6). This includes painted signs on building walls, signs placed on the back side of buildings, or other graphic elements.

6. Sign 4: Business Identification — office/single entrance.

This sign is used to identify the entrance of a single tenant building or a multi-tenant building with a common entrance. The sign is a developer designed sign that is part of an approved integrated sign plan for the project.

Location and Size: This type of sign is sized appropriate to the scale of the building and required viewing distances and typically located at the eye level of the viewer. Size will vary by application.

- **Building Mounted** — These signs are most frequently surface mounted and placed to align with an edge of a predominant feature in the architectural details of the building. The size of the sign should be sized appropriately to the building, but in no case exceed 24 square feet.
- **Ground Mounted** — This sign may also be ground mounted and placed in a planted median in front of the entrance. Again, the size of the sign should be sized appropriately to the building but in no case exceed 24 square feet. The height of a ground mounted sign shall not exceed 6 feet from the top of the sign to ground level. Signs shall not be placed on top of berms, but may be set into a berm.

Legend: The identification includes the corporate or facility name, logo, or signature.

Color: The sign panel shall be a middle value color that is compatible with the architectural detailing of the building. The colors selected for the signs may follow a corporate color scheme.

Materials: Owners may select from a wide palette of durable architectural sign materials including formed plastic, fabricated aluminum, porcelain enamel, pin mounted cut or fabricated letters, etc. with the prerequisite that the sign design complement the architecture. Sheet metal, galvanized metal, plywood, high density foam and gator foam are not acceptable materials.

Illumination: Signs may be internally illuminated. If the sign is ground mounted, flood lighting is allowed if compatible with the architecture and landscaping of the project. No sign illumination shall create glare or uplighting which interferes with aircraft.

No other identification signs are allowed on buildings (except as allowed under sign 5 or 6). This includes painted signs on building walls, signs placed on back or side faces of buildings, or other graphic elements.

7. Sign 5: Fascia mounted sign.

Placement of fascia mounted signs on buildings is limited to those adjacent to Airport Way and I-205. This sign may be mounted on the upper corner of the structure and identify a primary tenant or the name of a hotel.

Size: The sign shall be sized to fit appropriately on the building. The letters shall not exceed 36 inches in height and the trademark, if applicable, shall not exceed 48 inches. The sign shall not cover more than 30% of the length of the building wall nor exceed an area greater than 100 square feet. (e.g. a 100' long building wall would permit a sign 33 linear feet with a letter height of 36 inches for a total of 99 square feet).

Location: The sign shall be placed on the building in a way that aligns with the existing architecture. The sign shall not cross building windows or extend above the parapet wall. The sign shall be integrated into the architecture or applied as individual letter-forms.

Legend/Materials: Developers/owners may select from a wide variety of durable sign materials including formed plastic, fabricated aluminum, porcelain enamel, pin mounted cut or fabricated letters with the prerequisite that the sign complement the architecture. Sheet metal, galvanized metal, plywood, high-density foam and gator foam are not acceptable materials. The letters may be raised, inset or flush mounted. Letters shall be self-contained or exposed raceway fabricated. No box or can signs, or signs painted on a board or similar surface and mounted on a building are permitted. All attachment hardware must be concealed. Signs must be legible from the intended viewing distance, both during daylight and if illuminated.

Illumination: Signs with individual letters may be internally illuminated. Sign illumination should not create unnecessary glare or halation of letter forms that may reduce the sign's readability.

8. Sign 6: Accessory signs.

a. Separate Address Sign

Locations within PIC are identified using the City of Portland street address system. A non-illuminated sign displaying the street address may be mounted on a building.

(1) Single office buildings and hotels—

These address numbers shall be placed over the top of, or as close as possible to, the main entrance lobby. The numbers shall face the street or entrance walkway. The numbers shall be individually pin mounted on the building, not exceed 12 inches and shall not be less than 6 inches in height.

(2) Multiple building projects—

Each building within a project may have its address mounted on the parapet. It shall be displayed on a corner of the building that can be viewed from the driveway or street access. The placement of the address should be aligned to complement the architectural details of the building. Address numbers shall be sized 12"-18" in height and aligned to a common location for all buildings in the development.

Mounting/Materials: The numbers are to be individually pin mounted on the building and formed or fabricated with returns not exceeding 1 inch. Owners may select from a variety of durable materials including formed plastic, fabricated aluminum and porcelain enamel. Sheet metal, plywood, high-density foam and gator foam are not acceptable materials.

b. Directional

This sign is used to guide the visitor to a specified place such as a building entrance, specific address, exit, handicapped parking, general parking, service or loading area.

Specific directional signs are designed by the developer/owner. These signs must be consistent within a project and approved as part of the overall sign plan.

The following guidelines shall be used in designing these signs:

Size: Directional signs shall not exceed four (4) feet in height from grade and six (6) square feet in sign area.

Location: The sign is placed on the right side of the road or pathway, an adequate distance in advance to allow for safe movement.

Legend: Information placed on a directional sign should be limited to only the information required to lead a driver to the next decision point. All lettering shall be white and shall not exceed 6 inches in height.

Colors: The panels shall be a medium value or darker color. Arrow and legend must be white.

Materials: Panels shall be constructed of 1/8" aluminum, 1/4" plastic or 3/16" lexan. Lettering shall be painted or vinyl.

Illumination: Signs are non-illuminated.

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These are small signs for business hours, emergency telephone numbers, etc. placed on windows or doors, and larger panels placed adjacent to loading dock doors and receiving entrances. The letter height will vary depending on viewing distance. Specific sizes will be reviewed in conjunction with a proposed sign plan for the project. The total sign area for all small incidental signs per tenant shall not exceed 2 square feet. The larger incidental sign identifying loading areas etc. shall not exceed 2 square feet each.

Color: Sign legends shall be white. Sign panels shall be a medium or dark value color that is compatible with other building color details.

Illumination: Signs are non-illuminated.

Materials: Panels shall be constructed of 1/8" aluminum, 1/4" plastic or 3/16" lexan. Graphics and letter sizes for window and door signs will be reviewed as a part of the required integrated sign plan.

d. Regulatory

All traffic signs must comply with the City of Portland Office of Traffic Engineering and U.S. Manual on Uniform Traffic Control Devices.

9. Sign 7: Temporary signs.

Temporary signs may be used to identify land for lease, a future project or a project under construction. Signs shall not be mounted on buildings or in windows. All signs shall be submitted to the Port for approval prior to installation.

a. Marketing Signs

One freestanding double face marketing sign is permitted per project site. The sign shall be located along the street address frontage, behind the street right-of-way line.

Size: The standard plywood post sign has the following dimensions:

Width: 4'

Height: 5'

Depth: 6"

Letter height: 3"

The sign shall not exceed 8' in height.

The Portland International Center logo shall be displayed on the marketing sign. The panel displaying the logo shall be one of three colors: PMS 322 green, PMS 532 blue or PMS 492 red. Lettering shall be white. See figure 11.

The display period shall be limited to one year but may be renewed with written Port approval. Signs shall be removed promptly upon 100% occupancy and shall not be displayed any earlier than 6 months prior to a lease expiration.



Figure 11

b. Construction Signs

One freestanding project construction sign identifying the construction company and/or associated lenders is permitted per project site. The sign shall not exceed 6 feet in height from finished grade and 32 square feet in sign area.

All construction signs shall be removed promptly after the certificate of occupancy has been issued.

III. PERFORMANCE STANDARDS

The following performance standards shall apply to all tenants at Portland International Center. The intent of these standards is to avoid creation of a nuisance or unsanitary conditions within Port-developed facilities.

A. Property Use

The use of the property and the buildings and other facilities erected on the site shall comply with the laws, statutes, regulations, ordinances, and rulings of the State of Oregon and other governing bodies having jurisdiction. The buildings and other facilities comprising the development shall comply with the plans and specifications as approved by the Port of Portland. Any subsequent changes in use must be requested in writing and shall be subject to the approval of the Port.

B. Air Quality

Any facility locating on Port property shall comply with all State of Oregon Department of Environmental Quality air pollution control regulations referenced in the Oregon Administrative Rules (OAR) and amendments thereto.

No open burning shall be permitted.

C. Water Quality

Development and use of the site shall meet the standards of the City of Portland's Columbia South Shore Water Quality Facilities Design Handbook.

The discharge of treated or untreated sewage and/or other waters into the sanitary sewage system shall conform to the codes and ordinances of the appropriate local and state jurisdictions.

D. Noise, Odor, Heat, and Glare

All tenants must comply with the state DEQ and City of Portland noise standards. No objectionable noise, odor, heat, or glare which is detectable beyond the property line will be permitted. All exterior lighting changes shall be submitted to the Port for review and approval.

E. Vibration

No vibration generated on site which is discernible without instruments shall be permitted beyond the tenant's property boundaries.

F. Waste Material

All materials, including wastes, shall be stored and all properties maintained in a manner which will not attract or aid the propagation of insects, birds, or rodents or in any way create a health hazard.

G. Hazardous Materials

All hazardous material on the site shall be stored and handled in a manner so as to prevent their leakage, escape, discharge, or becoming a hazard to life, property, water, or groundwater resources. Storage and handling of such materials shall be in accordance with the regulations and codes of the City of Portland, the State Fire Marshal and the National Fire Protection Association.

IV. MAINTENANCE STANDARDS

The maintenance standards outline the required level of upkeep and repair for structures and the surrounding property.

A. Buildings

Exterior walls, facings, canopies and trim which have been painted or similarly treated shall not be allowed to become cracked, chipped, faded, or in any way seriously deteriorated. Materials that have been stained or otherwise treated to age naturally will be allowed to do so. The tenant shall be responsible for repainting building exterior surfaces once every five years, or as required. The Port may extend the time period on a case-by-case basis.

Broken windows, doors, or other damaged exterior elements shall be replaced promptly.

B. Landscaped Areas

The following standards shall be used for the maintenance of landscaped areas throughout the site. Maintenance will be the responsibility of the tenants association or individual tenants, depending upon the location of the landscaped areas.

1. Tenants Association obligations.

- a. Landscaping in the public street right-of-way and the adjacent landscape easement within the tenant property line (i.e., Roadway Zone landscaping).
- b. Landscaping associated with the central water feature, water retention area, Columbia Slough, and other water courses and drainage channels outside of the tenant property line.

2. Tenant obligations.

- a. Roadway Zone landscaping adjacent to internal access streets shall be maintained by the tenant, to the extent the internal streets are not public rights-of-way.
- b. All setback areas shall be maintained by the tenant, other than the landscape easements adjacent to the street referred to in 1. above. Maintenance shall include all landscaping, signs, lighting, and other facilities located within these setback areas.
- c. Landscaping in all parts of the site shall be continuously maintained to ensure an orderly, attractive appearance and to meet specific demands of all plant materials. The following tasks shall be performed:
 - (1) Establish a regular mowing schedule for all turf areas. Fertilize on a scheduled basis to maintain good color and health.
 - (2) Prune all shrubs to maintain intended height specified in the landscape design. All shrubs and trees planted near entries, exits, and signs shall be pruned to avoid blocking driver site distances and views.
 - (3) Trim groundcover as necessary to keep borders neat.
 - (4) Apply fertilizer and insecticide to trees, shrubs and groundcovers on a scheduled basis to maintain plant health.
 - (5) Apply herbicides to planting beds and turf areas to control established weeds and weed seeds.
 - (6) Clean up and remove all litter, debris, trimmings and clippings from all landscaped areas.
 - (7) Replace all diseased or dead plant material promptly.

C. Fences/Walls

Fences and walls shall have damaged, broken, or rotten members repaired or replaced. Painted or similarly treated surfaces which are subject to weathering shall not be allowed to crack, chip, fade, or deteriorate.

Legend/Materials: Developers/owners may select from a wide variety of durable sign materials including formed plastic, fabricated aluminum, porcelain enamel, pin mounted cut or fabricated letters with the prerequisite that the sign complement the architecture. Sheet metal, galvanized metal, plywood, high-density foam and gator foam are not acceptable materials. The letters may be raised, inset or flush mounted. Letters shall be self-contained or exposed raceway fabricated. No box or can signs, or signs painted on a board or similar surface and mounted on a building are permitted. All attachment hardware must be concealed. Signs must be legible from the intended viewing distance, both during daylight and if illuminated.

Illumination: Signs with individual letters may be internally illuminated. Sign illumination should not create unnecessary glare or halation of letter forms that may reduce the sign's readability.

8. Sign 6: Accessory signs.

a. Separate Address Sign

Locations within PIC are identified using the City of Portland street address system. A non-illuminated sign displaying the street address may be mounted on a building.

(1) Single office buildings and hotels—

These address numbers shall be placed over the top of, or as close as possible to, the main entrance lobby. The numbers shall face the street or entrance walkway. The numbers shall be individually pin mounted on the building, not exceed 12 inches and shall not be less than 6 inches in height.

(2) Multiple building projects—

Each building within a project may have its address mounted on the parapet. It shall be displayed on a corner of the building that can be viewed from the driveway or street access. The placement of the address should be aligned to complement the architectural details of the building. Address numbers shall be sized 12"-18" in height and aligned to a common location for all buildings in the development.

Mounting/Materials: The numbers are to be individually pin mounted on the building and formed or fabricated with returns not exceeding 1 inch. Owners may select from a variety of durable materials including formed plastic, fabricated aluminum and porcelain enamel. Sheet metal, plywood, high-density foam and gator foam are not acceptable materials.

b. Directional

This sign is used to guide the visitor to a specified place such as a building entrance, specific address, exit, handicapped parking, general parking, service or loading area.

Specific directional signs are designed by the developer/owner. These signs must be consistent within a project and approved as part of the overall sign plan.

The following guidelines shall be used in designing these signs:

Size: Directional signs shall not exceed four (4) feet in height from grade and six (6) square feet in sign area.

Location: The sign is placed on the right side of the road or pathway, an adequate distance in advance to allow for safe movement.

Legend: Information placed on a directional sign should be limited to only the information required to lead a driver to the next decision point. All lettering shall be white and shall not exceed 6 inches in height.

Colors: The panels shall be a medium value or darker color. Arrow and legend must be white.

Materials: Panels shall be constructed of 1/8" aluminum, 1/4" plastic or 3/16" lexan. Lettering shall be painted or vinyl.

Illumination: Signs are non-illuminated.

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Insurance Company

c. Informational

These are small signs for business hours, emergency telephone numbers, etc. placed on windows or doors, and larger panels placed adjacent to loading dock doors and receiving entrances. The letter height will vary depending on viewing distance. Specific sizes will be reviewed in conjunction with a proposed sign plan for the project. The total sign area for all small Incidental signs per tenant shall not exceed 2 square feet. The larger incidental sign identifying loading areas etc. shall not exceed 2 square feet each.

Color: Sign legends shall be white. Sign panels shall be a medium or dark value color that is compatible with other building color details.

Illumination: Signs are non-illuminated.

Materials: Panels shall be constructed of 1/8" aluminum, 1/4" plastic or 3/16" lexan. Graphics and letter sizes for window and door signs will be reviewed as a part of the required integrated sign plan.

d. Regulatory

All traffic signs must comply with the City of Portland Office of Traffic Engineering and U.S. Manual on Uniform Traffic Control Devices.

9. Sign 7: Temporary signs.

Temporary signs may be used to identify land for lease, a future project or a project under construction. Signs shall not be mounted on buildings or in windows. All signs shall be submitted to the Port for approval prior to installation.

a. Marketing Signs

One freestanding double face marketing sign is permitted per project site. The sign shall be located along the street address frontage, behind the street right-of-way line.

Size: The standard plywood post sign has the following dimensions:

Width: 4'

Height: 5'

Depth: 6"

Letter height: 3"

The sign shall not exceed 8' in height.

The Portland International Center logo shall be displayed on the marketing sign. The panel displaying the logo shall be one of three colors: PMS 322 green, PMS 532 blue or PMS 492 red. Lettering shall be white. See figure 11.

The display period shall be limited to one year but may be renewed with written Port approval. Signs shall be removed promptly upon 100% occupancy and shall not be displayed any earlier than 6 months prior to a lease expiration.



Figure 11

b. Construction Signs

One freestanding project construction sign identifying the construction company and/or associated lenders is permitted per project site. The sign shall not exceed 6 feet in height from finished grade and 32 square feet in sign area.

All construction signs shall be removed promptly after the certificate of occupancy has been issued.

III. PERFORMANCE STANDARDS

The following performance standards shall apply to all tenants at Portland International Center. The intent of these standards is to avoid creation of a nuisance or unsanitary conditions within Port-developed facilities.

A. Property Use

The use of the property and the buildings and other facilities erected on the site shall comply with the laws, statutes, regulations, ordinances, and rulings of the State of Oregon and other governing bodies having jurisdiction. The buildings and other facilities comprising the development shall comply with the plans and specifications as approved by the Port of Portland. Any subsequent changes in use must be requested in writing and shall be subject to the approval of the Port.

B. Air Quality

Any facility locating on Port property shall comply with all State of Oregon Department of Environmental Quality air pollution control regulations referenced in the Oregon Administrative Rules (OAR) and amendments thereto.

No open burning shall be permitted.

C. Water Quality

Development and use of the site shall meet the standards of the City of Portland's Columbia South Shore Water Quality Facilities Design Handbook.

The discharge of treated or untreated sewage and/or other waters into the sanitary sewage system shall conform to the codes and ordinances of the appropriate local and state jurisdictions.

D. Noise, Odor, Heat, and Glare

All tenants must comply with the state DEQ and City of Portland noise standards. No objectionable noise, odor, heat, or glare which is detectable beyond the property line will be permitted. All exterior lighting changes shall be submitted to the Port for review and approval.

E. Vibration

No vibration generated on site which is discernible without instruments shall be permitted beyond the tenant's property boundaries.

F. Waste Material

All materials, including wastes, shall be stored and all properties maintained in a manner which will not attract or aid the propagation of insects, birds, or rodents or in any way create a health hazard.

G. Hazardous Materials

All hazardous material on the site shall be stored and handled in a manner so as to prevent their leakage, escape, discharge, or becoming a hazard to life, property, water, or groundwater resources. Storage and handling of such materials shall be in accordance with the regulations and codes of the City of Portland, the State Fire Marshal and the National Fire Protection Association.

IV. MAINTENANCE STANDARDS

The maintenance standards outline the required level of upkeep and repair for structures and the surrounding property.

A. Buildings

Exterior walls, facings, canopies and trim which have been painted or similarly treated shall not be allowed to become cracked, chipped, faded, or in any way seriously deteriorated. Materials that have been stained or otherwise treated to age naturally will be allowed to do so. The tenant shall be responsible for repainting building exterior surfaces once every five years, or as required. The Port may extend the time period on a case-by-case basis.

Broken windows, doors, or other damaged exterior elements shall be replaced promptly.

B. Landscaped Areas

The following standards shall be used for the maintenance of landscaped areas throughout the site. Maintenance will be the responsibility of the tenants association or individual tenants, depending upon the location of the landscaped areas.

1. Tenants Association obligations.

- a. Landscaping in the public street right-of-way and the adjacent landscape easement within the tenant property line (i.e., Roadway Zone landscaping).
- b. Landscaping associated with the central water feature, water retention area, Columbia Slough, and other water courses and drainage channels outside of the tenant property line.

2. Tenant obligations.

- a. Roadway Zone landscaping adjacent to internal access streets shall be maintained by the tenant, to the extent the internal streets are not public rights-of-way.
- b. All setback areas shall be maintained by the tenant, other than the landscape easements adjacent to the street referred to in 1. above. Maintenance shall include all landscaping, signs, lighting, and other facilities located within these setback areas.
- c. Landscaping in all parts of the site shall be continuously maintained to ensure an orderly, attractive appearance and to meet specific demands of all plant materials. The following tasks shall be performed:
 - (1) Establish a regular mowing schedule for all turf areas. Fertilize on a scheduled basis to maintain good color and health.
 - (2) Prune all shrubs to maintain intended height specified in the landscape design. All shrubs and trees planted near entries, exits, and signs shall be pruned to avoid blocking driver site distances and views.
 - (3) Trim groundcover as necessary to keep borders neat.
 - (4) Apply fertilizer and insecticide to trees, shrubs and groundcovers on a scheduled basis to maintain plant health.
 - (5) Apply herbicides to planting beds and turf areas to control established weeds and weed seeds.
 - (6) Clean up and remove all litter, debris, trimmings and clippings from all landscaped areas.
 - (7) Replace all diseased or dead plant material promptly.

C. Fences/Walls

Fences and walls shall have damaged, broken, or rotten members repaired or replaced. Painted or similarly treated surfaces which are subject to weathering shall not be allowed to crack, chip, fade, or deteriorate.

D. Paved Areas and Other Surfaces

Paved areas for loading, parking, driveways, and pedestrian paths shall not be allowed to remain broken, cracked, settled, or otherwise in need of repair. Dirt and litter shall not be allowed to accumulate on paved surfaces. Paved areas shall be swept on a regular basis. Grass, weeds, and other plant materials that grow through joints and cracks shall be removed. Areas covered with gravel, bark dust, or wood chips and all other open areas shall be kept free of weeds and litter. All markings painted on paved surfaces shall be maintained so as to be clearly visible.

E. Signs

Signs shall be repaired or replaced if damaged or if they have significantly deteriorated. Sign lighting shall be maintained, with burned-out fixtures replaced promptly. Signs which are no longer appropriate due to a change of tenant shall be removed.

F. Lighting

All exterior lighting shall be maintained at adequate levels of illumination. Broken or burned-out elements shall be replaced promptly.

V. ENFORCEMENT OF STANDARDS

In the event a Tenant fails to comply with any term or condition of these Development Requirements and Standards within 30 days after written notice to the Tenant, the Port may, at its option, enter upon the Tenant's leased parcel and correct or repair any deficiency in compliance or failure to comply with these Development Requirements and Standards. The noncomplying Tenant shall reimburse the Port in the amount of any expenses incurred by the Port in connection with such action by the Port, plus ten percent (10%) of such expenses as reimbursement for the Port's administrative expenses, together with interest thereon from the date of expenditure until paid at a rate per annum equal to the lesser of, (a) the maximum rate permitted by law; (b) seven percentage points in excess of the average discount rate of three-month treasury bills as reported by the Federal Reserve Bank of New York at the first weekly auction held during the calendar month in which the Port bills the non-complying tenant for reimbursement. Tenant shall reimburse the Port for such amount within ten days after the Port's billing therefor.

The Port reserves the right for itself or designees to enter upon the premises for the purpose of inspection, repairing, or correcting deficiencies.

All the conditions, restrictions, and standards contained in this Development Requirements and Standards shall be construed together, but if at any time any one of these conditions, restrictions, or standards becomes invalid or for any reason unenforceable, no other condition, restriction, and standard shall be thereby affected or impaired.

Recorded By
Ticor Title
Insurance Company

APPENDIX A

DEFINITIONS

Building Setback Line

The minimum distance which all buildings and structures shall be set back from the property line adjacent to streets, from proposed streets, and from the side and rear property lines.

Design Standards

Guidelines for the development of individual sites in a manner which will enhance the working efficiency and visual amenities of the total area, while providing latitude and flexibility for the individual developer.

Development Requirements and Standards (the "standards")

A set of plan review policies, design standards, performance standards, and maintenance standards used to guide development of the Portland International Center.

Exterior Yard Setback

Required open space areas which face I-205, Airport Way and 82nd Avenue.

Final Plans

Detailed Development Plans submitted to the Port for final approval. Included are a detailed site plan, architectural and engineering working drawings, construction specifications, exterior material color board, landscape and irrigation plans, sign plans and a construction schedule. Stamped copies of the Final Plan are returned to the tenant or representative, after which application for appropriate state and city building permits may proceed.

Flex Buildings

Buildings designed to be flexible enough to accommodate a variety of different uses, ranging from office and research and development to warehousing/distribution and light manufacturing. The buildings are usually one or two stories and generally have more than one tenant.

Front Yard Setback

Required open space areas which face all Roadway Zones and the core area water feature.

Interior Yard Setback

Required open space areas which face other parcels and secondary sloughs or drainage ditches.

Landscape Area

All areas within the project site which are not utilized for buildings, parking lots, service areas, vehicle circulation, loading, mechanical equipment, or refuse collection. Landscape areas shall include all yards, required screening, walkways and any land not covered by buildings, structures or paved surfaces.

Landscape Easement

A landscaped area located in the Roadway Zone along International Parkway and parts of Alderwood Road between the property line and the outer edge of the Roadway Zone.

Light Industrial Buildings

Buildings designed for firms involved in the manufacturing, processing, fabrication, packaging or assembly of goods. Goods are generally not displayed outside or sold on site. Relatively few customers come to the site. Office space is an accessory use.

Maintenance Standards

Guidelines which are provided to outline the required level of upkeep and repair for structures and the surrounding property.

Nuisance

Any use or activity which produces any of the following or similar effects discernible outside of site boundaries or affecting any surrounding property: noise or sound that is objectionable due to its volume, duration, frequency or shrillness; smoke; gas fumes; odors; dust, dirt or ash; unusual fire or explosive hazards and excavation. (Only excavation made in connection with construction of improvements is permitted.)

Open Space Area

Any part of the site not occupied by either building's accessory structures, loading, or service areas, outdoor storage, refuse collection area, and vehicle parking and maneuvering areas.

Parking Bay

A single row of parking spaces.

PDX Eastside Master Plan

A set of goals, objectives, design concepts, and development guidelines for the Port of Portland's Portland International Center.

Performance Standards

Guidelines which are provided in order to avoid the creation of nuisance or unsanitary conditions within Port-developed areas.

Permanent-Type Construction

Structures or ground facilities constructed with the intent of providing service over the length of the lease agreement or warranty deed with use of materials and methods of construction which will maintain their appearance and functionality. Trailers, mobile offices, and other similar temporary structures are not considered as permanent-type construction.

Port of Portland (Port)

A Port district organized under the laws of the State of Oregon and governed by a nine-member board which establishes and controls its policies and activities.

Preliminary Plan

Design concept plans submitted to the Port of Portland for initial approval prior to detailed planning and design. Included are conceptual site and building plans, conceptual landscape plan, proposed uses and approximate locations of utilities, loading areas, mechanical equipment and any other special appurtenances.

Property Line

The boundary which limits the extent of a particular parcel of land, as described in the lease or warranty deed.

Rear Property Line

The property line describing the rear boundary of a tenant's parcel, opposite the property line fronting the street or airport access road.

Roadway Zone

The landscape/pedestrian areas adjacent to International Parkway, Alderwood Road and internal access streets. The zone width, measured from the outer curb, is 25 feet for International Parkway, 20 to 23 feet for Alderwood Road, and 15 feet for internal access streets.

Screening

Evergreen plant material, berms, fences, or walls of sufficient height and capacity to conceal the view of a particular function or area from the street or adjacent properties.

Setback Zone

Open space areas used to enhance the perimeter of individual building sites, provide space for buffers and screening, and form visual connections to other open areas.

Sign Area

The area of the sign's surface (per side) which displays letters or symbols.

Tenant

Individuals and organizations which have either leased or purchased property which is subject to regulation or control by the Port of Portland.

Variance

A written notification by the Port which modifies one or more specific development standard as it applies to a particular lot and particular tenant. The development guidelines of the PDX Eastside Master Plan will be used as the primary criteria for determining whether the variance should be approved.

Warehouse Buildings

Buildings designed for firms involved in the movement, storage and/or sale of goods for themselves or other firms. Goods are generally delivered to other firms except for some will-call pickups. Firms may have warehouse sales which are not open to the public and where on-site sales are low. Office space is an accessory use and is generally a small percentage of the total square footage of the building.

Water Feature

The existing sloughs, central water feature, and water retention areas as shown on the PDX Eastside Master Plan Land Use Plan.

APPENDIX B

Recommended Tree List

Deciduous

Botanical Name

Acer platanoides
Acer rubrum "Red Sunset"
Quercus rubra
Quercus coccinea
Platanus acerifolia
Fraxinus oxycarpa

Common Name

Norway Maple
Red Sunset Maple
Red Oak
Scarlet Oak
London Plane Tree
Ash

Evergreen

Botanical Name

ComPinus contorta
Pinus densiflora
Pinus nigra
Tsuga heterophylla
Thuja plicata
Cedrus deodora
Calocedrus decurrens

Common Name

Shore Pine
Japanese Red Pine
Austrian Pine
Western Hemlock
Western Red Cedar
Deodar Cedar
Incense Cedar

Accent

Botanical Name

Carpinus betulus "Fastigiata"
Malus species
Prunus cerasifera
Pyrus calleryana
Populus nigra "Italica"
Acer palmatum
Quercus palustris
Cornus florida
Prunus serrulata
Acer circinatum

Common Name

Pyramidal Hornbeam
Crabapple
Flowering Plum
Flowering Pear
Lombardy Poplar
Japanese Maple
Pin Oak
Flowering Dogwood
Flowering Cherry
Vine Maple

Recorded By
Ticor Title
Insurance Company

APPENDIX C

Recommended Shrub List

<u>Botanical Name</u>	<u>Common Name</u>
Rhododendron species	Rhododendron
Rhododendron species	Azalea
Euonymous alata	Burning Bush
Abelia grandifolia	Glossy Adelia
Berberis thunbergii	Japanese Barberry
Berberis thunbergii "Atrop urpurea"	Red-leaf Japanese Barberry
Berberis thunbergii "Crimson Pygmy"	Dwarf Red Barberry
Cotoneaster horizontalis	Rock Cotoneaster
Cotoneaster microphyllus	Rockspray cotoneaster
Cotoneaster apiculatus	Cranberry cotoneaster
Pinus mugo muhus	Mugho Pine
Ilex cornuta "Burfordii"	Burford Holly
Potentilla species	Potentilla
Forsytheia intermedia	Forsythia
Nandia domestica	Heavenly Bamboo
Juniper species	Juniper
Viburnum carlesii	Koreanspice Viburnum
Cornus stolonifera	Red Twig Dogwood
Gaultheria shallon	Salai
Mahonia aquifolium	Oregon Grape
Escallonia species	Escallonia
Ligustrum species	Privet

APPENDIX D

Recommended Groundcover List

<u>Botanical Name</u>	<u>Common Name</u>
Hedera helix	English Ivy
Hypericum calycinum	St. Johnswort
Cotoneaster dammeri	Bearberry Contoneaster
Vinca minor	Common Periwinkle
Pachysandra terminalis	Pachysandra
Fragama chiloensis	Wild Strawberry

Recorded By
Floor Title
Insurance Company

APPENDIX E

RECOMMENDED PLANTINGS FOR PARKING AREAS

Deciduous Trees

Botanical Name

Tilia cordata

Liquidambar styraciflua

Gleditsia triacanthos

Common Name

Little Leaf Linden

Sweet Gum

Seedless Honeylocust

Evergreen Tree

Botanical Name

Sequoiadendron giganteum

Common Name

Sequoia

Shrubs

Botanical Name

Viburnum species

Raphiolepis indica

Juniper species

Common Name

Viburnums

Indian Hawthorn

Juniper

Groundcover

Botanical Name

Viburnum davidii

Common Name

David Viburnum

Recorded By
Ticor Title
Insurance Company

080833

STATE OF OREGON }
Multnomah County ss.

I, a Deputy for the Recorder of Conveyances, in and for said County, do hereby certify that the within instrument of writing was received for record and recorded in the record of said County

Multnomah County, Oregon

AM AUG 31 1930 PM
7:19:10/11/12/13/14/15/16

In Book On Page

BOOK 2339 PAGE 91

witness my hand and seal of office affixed.

Recorder of Conveyances

m Butna Deputy

2203

Exhibit D

BOOK 2339 PAGE 136

AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR PORTLAND INTERNATIONAL CENTER

THIS AMENDMENT OF DECLARATION is made this 11th day of June 1999
by the PORT OF PORTLAND ("Port") and the PORTLAND INTERNATIONAL
CENTER TENANTS' ASSOCIATION ("Association").

WHEREAS, a Declaration regarding property as described on Exhibits A & B
("Property"), attached hereto, was made on February 16, 1989, by the Port of Portland,
recorded in Book 2180, Page 195, Multnomah County Deed Records ("Declaration") as
amended on June 29, 1990, said amendment recorded in Book 2339, Page 195,
Multnomah County.

WHEREAS, the Port and the Association, formed pursuant to such Declaration,
desire to amend the Declaration to delete certain property to Exhibit A.

NOW THEREFORE,

1. Exhibit E, deletion of Property, and Exhibit F, addition of Property, as of the
effective date of this Amendment, are added as exhibits to the Declaration.
2. All other terms and conditions of the Declaration shall remain in full force and
effect.

PORT OF PORTLAND

PORTLAND INTERNATIONAL CENTER
TENANTS' ASSOCIATION

[Signature]
By: Executive Director

[Signature]
By: President

APPROVED AS TO LEGAL SUFFICIENCY

[Signature]

Recorded in the County of Multnomah, Oregon
C. Swick, Deputy Clerk

[Barcode] 28.00

99118339 4:28pm 06/14/99

013 20026552 02 15
D89 5 0.00 25.00 0.00 3.00 0.00

AFTER RECORDING RETURN TO:

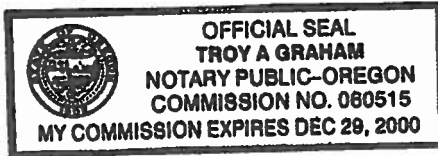
The Port of Portland
P.O. Box 3529
Portland, Oregon 97208
Attn: Manager, Property and Development

TNT M208152H

Exhibit D

STATE OF OREGON)
) ss.
County of Multnomah)

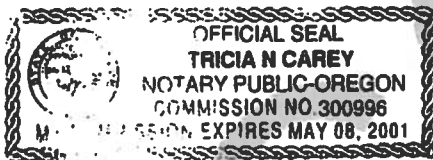
This instrument was acknowledged before me on June 14th, 1999, by ~~Mike Thorne as Executive Director~~ of The Port of Portland, a port district.
[^] Edward Galligan as Senior Director-CFO



Troy A Graham
NOTARY PUBLIC FOR OREGON
My Commission Expires: December 14, 2000

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on 6/14/99, 1999, by Elizabeth Saddler as President of Portland International Center Tenants' Association, a non-profit corporation.



Tricia N Carey
NOTARY PUBLIC FOR OREGON
My Commission Expires: 5/8/01

EXHIBIT E

LEGAL DESCRIPTION

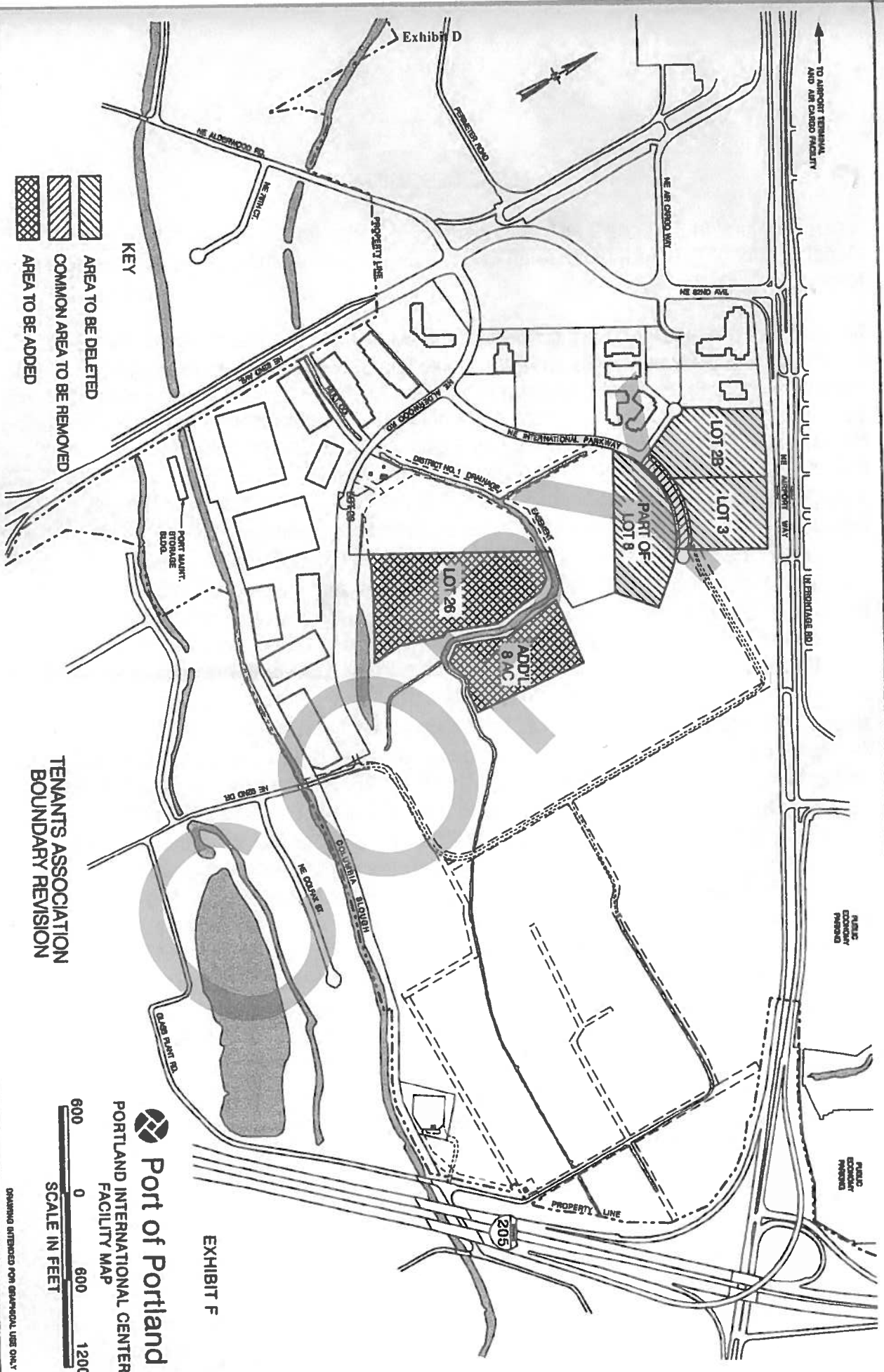
A parcel of land in Sections 9 and 16, Township 1 North, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, Oregon, being more particularly described as follows:

Beginning at the quarter corner common to sections 9 and 16, thence South $29^{\circ}08'54''$ East 95.40 feet to a point on the South right-of-way line of N.E. International Parkway and the North line of Lot 8, Portland International Center, P.U.D. a subdivision plat recorded March 15, 1989 in Book 1220, Pages 10 and 11, Multnomah County records, said point also being the TRUE POINT OF BEGINNING; thence, along the North line of lot 8, along the arc of a 650.00 foot radius curve to the right through a central angle of $13^{\circ}48'18''$ a distance of 156.61 feet to a point which bears South $48^{\circ}00'29''$ East 156.23 feet from the last described point; thence South $41^{\circ}06'20''$ East 267.55 feet; thence, leaving the North line of lot 8, along the East line of lot 8, South $48^{\circ}53'40''$ West 321.93 feet; thence, leaving the East line of lot 8, North $61^{\circ}00'00''$ West 975.77 feet to a point on the West side of lot 8 and the East side of N.E. International Parkway; thence, along the West side of lot 8 and the East side of N.E. International Parkway, along the arc of a 650.00 foot radius curve to the right through a central angle of $18^{\circ}56'53''$ a distance of 214.96 feet to a point which bears North $58^{\circ}01'07''$ East 213.98 feet from the last described point; thence, leaving the West side of lot 8 and the East side of N.E. International Parkway, North $25^{\circ}09'10''$ West 119.07 feet to a point on the East line of N.E. Ambassador Way; thence, along the East line of N.E. Ambassador Way, continuing North $25^{\circ}09'10''$ West 281.42 feet; thence, along the arc of 20.00 foot radius curve to the right through a central angle of $48^{\circ}11'23''$ a distance of 16.82 feet to a point which bears North $1^{\circ}03'29''$ West 16.33 feet from the last described point; thence, along the arc of 55.00 foot radius curve to the left through a central angle of $88^{\circ}29'27''$ a distance of 84.95 feet to a point which bears North $21^{\circ}12'31''$ West 76.75 feet from the last described point; thence, leaving the East line of N.E. Ambassador Way, along the West line of lot 2B, North $29^{\circ}00'00''$ East 247.52 feet; thence North $64^{\circ}23'47''$ East 25.90 feet; thence North $29^{\circ}00'00''$ East 281.54 feet to the most Northerly corner of lot 2B, to a point on the South line of N.E. Airport Way; thence, leaving the West line of lot 2B, along the South line of N.E. Airport Way, South $65^{\circ}18'20''$ East 326.01 feet; thence South $61^{\circ}00'00''$ East 640.00 feet; thence, leaving the South line of N.E. Airport Way, along the East line of lot 3, South $29^{\circ}00'00''$ West 531.24 feet to the most Southerly point of lot 3, on the North right-of-way line of N.E. International Parkway; thence, leaving the East line of lot 3, South $35^{\circ}05'23''$ West 100.00 feet to the TRUE POINT OF BEGINNING; containing 23.86 Acres more or less.

TO AIRPORT TERMINAL
AND AIR CARGO FACILITY

FIELD
ECONOMIC
PARKING

FIELD
ECONOMIC
PARKING



Port of Portland
PORTLAND INTERNATIONAL CENTER
FACILITY MAP

SCALE IN FEET
600 0 600 1200

DRAWING INTENDED FOR GRAPHICAL USE ONLY

DATE: JAN 1989

Exhibit E

Explanation of payment amounts for phase I:

In calculating the two payment amounts, the Port requires an effective present value price per square foot of \$6.00. Capstone asked the Port to add the present value impact of the 2nd payment (one year after closing) to the initial payment.

In order to achieve a present value price/sf of \$6.00, the Port first calculated what the 2nd payment would be.

That calculation is derived by taking the total square footage of 1,064,085 multiplied by the price/sf of \$6.00 and then multiplied by 75%, which totals \$4,788,383.

This value is the cash payment, not the present value of that payment. To determine the present value of the 2nd payment, the Port discounted the \$4,788,383 by 6% for one year, which equates to \$4,517,342.

The difference of those values is \$271,041. This amount will be added to the first payment in order to achieve an effective rate of \$6.00.

The first payment is calculated by taking the square footage total of 1,064,085 multiplied by \$6.00 and then multiplied by 25%, which totals \$1,596,128.

The \$271,041 is then added to the \$1,596,128 to arrive at the total amount due at closing of \$1,867,168. The calculation allows the Port to achieve a present value lease rate of \$6.00/sf.

Variables used in calculation

Discount Rate	6.0%	[a]
Acreage	24.428	[b]
Sq Ft	1,064,085	[c]
Target Price/sf	\$ 6.00	[d]
1st Pymt Percentage	25.0%	[e]
2nd Pymt Percentage	75.0%	[f]

Calculation of 2nd Payment (12 months after closing)

2nd Payment Amount \$ 4,788,383 [g] = [c] * [d] * [f]

Calculation of 1st Payment

Present Value of 2nd Pymt \$ 4,517,342 [h] = the present value of [g], discounted at 6% for 1 yr.

Difference between 2nd
payment amount and the
present value of that payment,
to be added to 1st Pymt \$ 271,041 [i] = [g] - [h]

Payment Amount \$ 1,596,128 [j] = [c] * [d] * [e]

Payment Due at Closing \$ 1,867,168 [k] = [j] + [i]

Total Payments \$ 6,655,551 [g] + [k]

Effective Rate \$ 6.00 ([h] + [k]) / [c]

EXHIBIT F

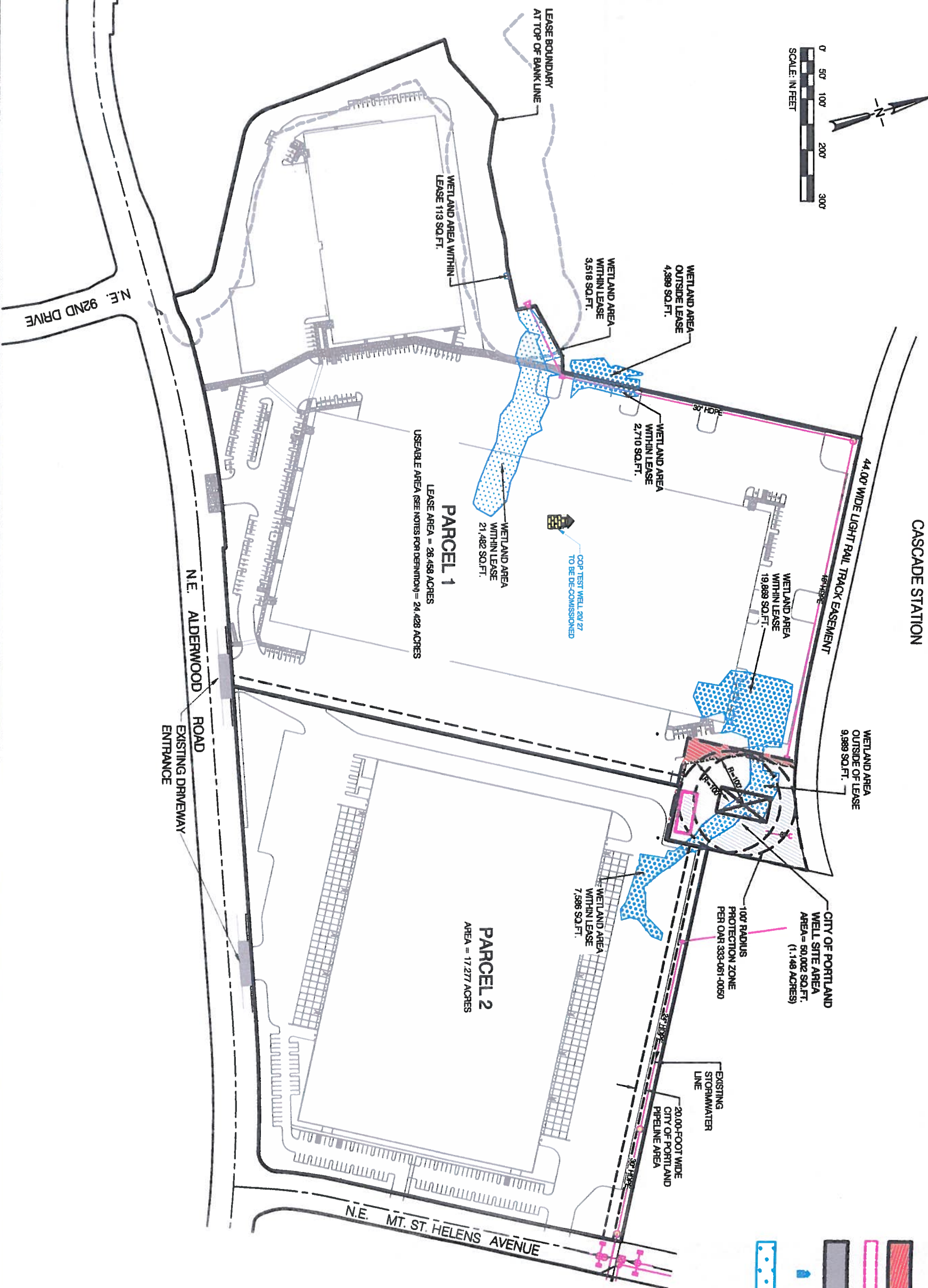
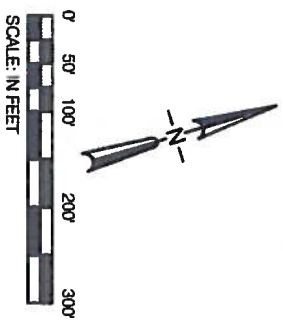
NOTICE TO TENANTS

Dear Tenant:

As you are aware, your agreement with the Port of Portland requires you to pay all property taxes assessed against the property you occupy. The Port of Portland and Multnomah County take this obligation seriously and will strictly enforce it. If taxes are not paid promptly when due, the Port may pursue remedies for default, including termination of your agreement. Multnomah County may also pursue a collection action for unpaid taxes.

Property tax statements are sent by Multnomah County each November. If you wish to have your property tax statements sent to a different address, please contact the Multnomah County Division of Assessment and Taxation at:

Multnomah County Assessment & Taxation
P.O. Box 2716
Portland, Oregon 97208



-
- LEGEND**
- OVERLAP IN CITY OF PORTLAND WATER WELL FACILITY EASEMENT AND CAPSTONE DEVELOPMENT LEASE PREMISES.
 - PROPOSED LOCATION OF TWO AQUIFER TEST MONITORING WELLS.
 - CITY OF PORTLAND WATER WELL FACILITY EASEMENT.
 - APPROXIMATE LOCATION OF FUTURE PRODUCTION WATER WELLS.
 - EXISTING WETLANDS AREA TO BE FILLED BY LESSEE.

NOTES:
THE PURPOSE OF THIS DRAWING IS TO SHOW THE EXISTING WETLAND BOUNDARY. THE EXISTING WETLAND BOUNDARY AREA IS REQUIRED TO BE FILED BY CARSTONE DEVELOPMENT AS PART OF THE PDJ LOGISTICS PROJECT.
THE ENTIRE CITY OF PORTLAND WETLAND SITE AREA IS SUBJECT TO THE OREGON ADMINISTRATIVE RULES. OAR 333-080-0000.
THE BACKGROUND IS FOR INFORMATIONAL PURPOSES ONLY.

[illegible]

Exhibit H

To be submitted by the Port

Exhibit I

Lessor Estoppel Certificate

To: PDX Logistics Center I LLC
c/o Capstone Partners LLC
1015 N.W. 11th Avenue, Suite 243
Portland OR 97209
Attention: Chris Nelson

RE: Lease between the Port of Portland ("Lessor") and PDX Logistics Center I, LLC ("Lessee") dated effective August 1, 2013, as (Port Agreement No.) (the "Lease") for approximately 1,149,984 square feet of undeveloped property located in the Port's development known as Portland International Center ("PIC") Portland, Oregon (the "Premises").

The undersigned, for the benefit of, certifies the following facts as true as of the date set forth below:

1. A complete copy of the Lease is attached hereto as **Exhibit A**. The Lease has not been modified or amended.
2. The Lease between Lessor and Lessee contain the complete agreement between Lessor and Lessee pertaining to the Premises.
3. The commencement date of the Lease was August 1, 2013. The expiration date of the Lease is August 31, 2063
4. The Lease is in full force and effect.
5. Lessee has paid annual Basic Rent through August 31, 2063.
7. Lessor is holding a security deposit in the amount of \$pursuant to Section of the Lease.
8. To the actual knowledge of Lessor without inquiry, Lessee is not in default under the Lease, and no act or event has occurred or exists which, with notice and/or the passage of time, would be a default by Lessee under the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT J

Recording Requested By, and
After Recording Return To:
Manager, Business Development & Properties
Port of Portland
7200 NE Airport Way
Portland, OR 97218

Send Tax Statements to:
No change.

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is by and between the Port of Portland, a port district of the State of Oregon (the "Port") and PDX Logistics I, LLC, a limited liability company organized under the laws of the State of Delaware ("PDX I")

BACKGROUND

A. The Port and Lessee entered into a "Ground Lease" dated effective August 1, 2013, for the agreed area of approximately 1,149,984 square feet of land, located on Port owned property known as Portland International Center, and legally described on **Exhibit A** attached to this Memorandum (the "Property").

B. The addresses of the Port and the Lessee are as follows:

PORT'S ADDRESS:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn: Manager, Business Development & Properties

With a copy to:

The Port of Portland
P.O. Box 3529
Portland, Oregon 97208-3529
Attn: Legal Department

LESSEE'S ADDRESS:

PDX Logistics Center I LLC
c/o Capstone Partners LLC
1015 N.W. 11th Avenue, Suite 243
Portland OR 97209
Attention: Chris Nelson

MEMORANDUM OF GROUND LEASE

Exhibit J
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EXHIBIT J

C. The purpose of this Memorandum is to give record notice of the Lease and the rights and obligations created thereby applicable to the Property.

AGREEMENT

NOW THEREFORE, Port and Lessee hereby agree as follows:

1. Commencement. The commencement date of the Lease was August 1, 2013.
2. Termination. The Lease shall expire at midnight on August 31, 2063.
3. Incorporation. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though written out at length herein.

EXHIBIT J

IN WITNESS WHEREOF, Port and Lessee have caused this Memorandum to be executed this ____ day of July, 2013.

PORT:

The Port of Portland, a
Port district of the State of Oregon

By: _____

Name: _____

Its: _____

PDX LOGISTICS CENTER I, LLC:

PDX Logistics Center I, LLC, a limited liability company
organized under the laws of the State of Delaware,

By: _____

Print Name: _____

As Its: _____

By: _____

Print Name: _____

As Its: _____

[illegible]

Witnessed by hand and this notary seal, this _____ day of July, 2013

STATE OF OREGON)
)
COUNTY OF MULTNOMAH)

Witnessed by hand and this notary seal, this _____ day of _____, 2013.

Notary Public in and for the State and
County aforesaid
My commission expires: _____

EXHIBIT J

EXHIBIT A

Legal Description