

## EXCLUSIVE AUTHORIZATION OF LEASE

OWNER hereby grants to GRUBB & ELLIS COMPANY ("Broker") the exclusive right to negotiate a lease or leases with respect to the real property described below (the "Property") for a period commencing on June 1, 2003, and ending at midnight on December 31, 2003 (the "Listing Period"), unless this Authorization is extended in writing and signed by both Owner and Broker. The Property is located at 1610 NW Couch Street in the City of Portland, County of Multnomah, State of Oregon and further described as approximately 4,000 square feet of warehouse space, approximately 1,500 square feet of office space and a 50' x 100' vacant lot as shown on the attached Exhibit A. The Lease(s) shall be for a rental of \$5,150.00 per Month for a minimum of One (1) years, and such other terms and conditions acceptable to the Owner of the Property. The monthly rent shall already include electricity, gas, water and sewer, and security.

If during the Listing Period negotiations involving the leasing of the Property have commenced and are continuing, then the Listing Period shall be extended with respect to such transaction(s) and negotiations for a period through the termination of such negotiations or the consummation of such transaction.

In consideration of this Authorization and Broker's agreement diligently to pursue the procurement of tenant(s) for the Property, Owner agrees to pay Broker commission(s) in cash as follows:

### GROSS LEASE

- 6% of the rent for the first 12 months;
- 6% of the rent for the second 12 months;
- 5% of the rent for the third 12 months;
- 4% of the rent for the fourth 12 months;
- 4% of the rent for the fifth 12 months;
- 3% of the rent for the next 60 months;
- 2 % of the rent for the balance of the term.

1. Commencement of Rent: For the purpose of computing the amount of the commission due on a leasing transaction, the first month when the base or minimum rental commences shall be deemed to be the first month of the lease.
2. Term of More Than 30 Years: If the initial lease term is in excess of 30 years, then the commission shall be calculated only upon the rental to be paid during the first 30 years of the term of the lease.
3. Month-to-Month Tenancy: The commission shall be fifty percent (50%) of the first month's rent but in no event less than \$400. In the event that a month-to-month tenant subsequently executes a lease, either direct with Owner or through Broker, within 24 months from the date of first occupancy of the month-to-month tenant, then Broker shall receive a leasing commission with respect to such lease in accordance with the provisions of this Schedule.
4. Extension of Term or Additional Space Taken: If the term of the lease is extended or the area of the leased premises is expanded prior to the expiration of the lease, whether pursuant to an option in or an amendment of the lease or any other agreement, then a leasing commission, computed in accordance herewith, shall be paid upon the exercise of any such option or the making of any such amendment or agreement. If the term of the lease is extended, such additional period shall be added to the end of the initial lease term for the purpose of computing the amount of the commission. If the area of the leased premises is expanded, a full leasing commission shall be due for the entire term of such additional space.
5. Payment: One-half of leasing commission shall be paid upon the mutual execution of a lease by lessor and tenant, and the balance shall be paid on the date specified in the lease for the commencement of the term.
6. Sale of the Property: Owner shall pay to Broker a sales commission in an amount equal to \_\_\_\_\_ percent of the gross sales price if:
  - a) a contract for the sale, exchange, transfer or conveyance of the property or any interest therein is entered into during the Listing Period between the owner of the Property and any prospect to whom Broker has submitted the Property or with whom Broker has negotiated in the performance of Broker's responsibilities;
  - b) a tenant procured during the Listing Period, its successors or assigns, purchases the Property during the term of the lease or any extensions thereof or within 180 days after the expiration thereof, whether pursuant to an option or a right of first refusal in the lease or whether pursuant to any other agreement. Such sales commissions shall be reduced by the amount of any leasing commissions previously paid by Owner to Broker relating to that portion of the lease term extending beyond the effective date of such purchase; and
  - c) sales commissions shall be due and payable at the time of the close of escrow with respect to such transactions, or in the absence of an escrow, at the time of the consummation of the transaction.
7. Broker is hereby authorized to deduct its commission from any deposits, payments or other funds paid in connection with such transaction.

Owner shall pay said commissions to Broker if during the Listing Period: (a) the Property or any part thereof is leased to a tenant by or through Broker, Owner or any other person or entity; or (b) a tenant is procured by or through Broker, Owner or any other person who is ready, willing and able to lease the Property or any part thereof on the terms above stated or other terms acceptable to the owner of the Property; or (c) any lease or contract for the lease of the Property or any part thereof is made directly or indirectly by the owner of the Property; or (d) this Authorization is terminated or the property is withdrawn from lease without the written consent of Broker or made unmarketable by Owner's voluntary act. Owner shall also pay said commission to Broker if within one hundred eighty (180) days after the expiration of the Listing Period: (1) the Property, or any interest therein, is leased to any person or entity which during the term of the Listing Period made a written offer to lease the Property, or any interest therein, whether or not such transaction is consummated on the same or different terms and conditions contained in such offer; or (2) the Property or any interest therein is leased to any person or entity with whom Broker has negotiated or to whom Broker has submitted the Property in an effort to effect a transaction during the Listing Period and whose name appears on any list of such persons or entities (the "Registration List") which Broker shall have mailed to Owner at the address below stated within thirty (30) days following such expiration. ~~In the event title to the Property is transferred pursuant to foreclosure proceedings or by a deed in lieu of foreclosure during the Listing Period, and within one hundred eighty (180) days thereafter the Property or any portion thereof is leased to any person or entity which made a written offer to lease the Property, or any portion thereof, or which is named on the Registration List or any affiliate of either, Owner shall pay Broker said commission with respect to such transaction. The sale of the Property during the term of this Authorization or any extension hereof shall not be deemed to constitute a breach of this Authorization if the purchaser agrees in writing to be bound by this Authorization for the remainder of the Listing Period.~~

Owner agrees to cooperate with Broker in effecting a lease or leases of the Property and immediately to refer to Broker all inquiries of any person or entity interested in leasing premises in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective tenant. In the event a transaction is not consummated, any deposits and other funds retained by Owner shall be equally divided between Owner and Broker, except that Broker's portion thereof shall not exceed the amount of the commission otherwise payable upon the consummation of such transaction by the terms of this Authorization. Broker is further authorized to advertise the Property and shall have the exclusive right to place a sign or signs on the Property if, in Broker's opinion, such would facilitate the sale or leasing thereof.

It is understood that it is illegal for either Owner or Broker to refuse to present, sell or lease real property to any person because of race, color, religion, national origin, sex, marital status, age or physical disability.

Except as disclosed in an addendum hereto signed by both Owner and an officer of Broker, Owner hereby warrants and represents to Broker that (1) Owner is the owner of record of the Property or has the legal authority to execute this Authorization on behalf of such owner, (2) no person or entity has any right to purchase or lease the Property or to acquire any interest therein by virtue of option or right of first refusal, (3) there are no delinquencies or defaults under any deed of trust, mortgage or other encumbrance on the property, (4) ~~the Property is not subject to the jurisdiction of any court in any bankruptcy, insolvency, conservatorship or probate proceeding, and~~ (5) neither Broker nor any salesperson affiliated with Broker has made any promise or representations to or agreements with Owner not contained herein which in any manner affect Owner's and Broker's rights and obligations under this Authorization.

Owner agrees to defend, indemnify and hold Broker harmless from any and all claims, liabilities, demands and damages arising from incorrect information supplied by Owner or any information which Owner fails to supply.

~~In the event an escrow is opened with respect to the sale, transfer or conveyance of the Property or any interest therein, Owner hereby irrevocably assigns to Broker and irrevocably authorizes and instructs the escrow agent to disburse to Broker the amount of the compensation provided for herein from the funds payable to Owner.~~

In the event a claim or controversy arises concerning any failure to pay Broker all or any portion of the amounts provided herein, Owner and Broker hereby agree that such claim or controversy shall be settled by final, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, which rules are incorporated herein by reference, provided, however, that all persons nominated to act as arbitrators of such claim or controversy shall be attorneys at law duly licensed to practice before the courts of the State where the arbitration is conducted. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Depositions may be taken and other discovery may be obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings. The unsuccessful party shall pay the costs of conducting the arbitration. In the event any arbitration proceeding (or legal action to enforce an arbitration award) is commenced to recover compensation hereunder the prevailing party shall be entitled to recover its expenses and reasonable attorneys' fees incurred therein from the unsuccessful party.

If there is a failure to make any payment to Broker at the time required herein, the delinquent sum(s) shall bear interest at the rate of 18% per year or the maximum rate permitted by law, whichever is lower.

Owner hereby authorizes Broker to represent and serve as agent for any purchaser or tenant or prospective purchaser or tenant, or prospective purchaser or tenant, of the Property or of any interest therein, and Owner hereby waives any conflict of interests which might arise as a result thereof.

The heirs, transferees, successors and assigns of the parties hereto are duly bound by the provisions hereof.

#### AMERICANS WITH DISABILITIES ACT AND HAZARDOUS MATERIALS DISCLOSURE

Exhibit A

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The Americans With Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. The real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Owners and tenants should consult the attorneys and qualified design professionals of their choice for information regarding these matters. Real estate brokers cannot determine which attorneys or design professionals have the appropriate expertise in this area.

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated/handled or removed. For example, some transformers and other electrical components contain PCB's, and asbestos has been used in components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals, (including lead-based paint), minerals, chemicals, hydrocarbons, or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real estate agents have no expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of the Seller/Lessor and Buyer/Tenant to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice to determine what provisions, if any, they may wish to include in transaction documents regarding the Property.

Sale, lease and other transactions can have local, state and federal tax consequences for the seller/lessor and/or buyer/tenant. In the event of a sale, Internal Revenue Code Section 1445 requires that all buyers of an interest in any real property located in the United States must withhold and pay over to the Internal Revenue Service (IRS) an amount equal to ten percent (10%) of the gross sales price within ten (10) days of the date of the sale unless the buyer can adequately establish that the seller was not a foreigner, generally by having the seller sign a Non-Foreign Seller Certificate. Note that depending upon the structure of the transaction, the tax withholding liability could exceed the net cash proceeds to be paid to the seller at closing. Consult your tax and legal advisor. Real estate brokers are not qualified to give legal or tax advice or to determine whether any other person is properly qualified to provide legal or tax advice.

NO AMENDMENTS TO OR MODIFICATIONS OF THIS AUTHORIZATION NOR THE TERMINATION OF THIS AUTHORIZATION SHALL BE VALID OR BINDING UNLESS MADE IN WRITING AND SIGNED BY BOTH OWNER AND AN OFFICER OF BROKER. OWNER HEREBY ACKNOWLEDGES THAT SALESPERSONS AFFILIATED WITH BROKER ARE NOT AUTHORIZED TO MAKE OR APPROVE ANY ADDITIONS TO, DELETIONS FROM OR ALTERATIONS OF THE PRINTED PROVISIONS OF THIS AUTHORIZATION OR TERMINATE THIS AUTHORIZATION. ANY PURPORTED AMENDMENT, MODIFICATION OR TERMINATION OF THIS AUTHORIZATION WHICH IS ORAL, OR WHICH IS IN WRITING BUT NOT SIGNED BY BOTH OWNER AND AN OFFICER OF BROKER, SHALL BE VOID AND OF NO EFFECT WHATSOEVER.

Owner hereby acknowledges that neither Broker nor any salesperson associated with Broker is qualified or authorized to give legal or tax advice; if Owner desires such advice he shall consult with an attorney or accountant.

Owner acknowledges receipt of a copy of this Authorization which Owner has read and understands.

DATE: 7-9-03

OWNER: ARCHDIOCESE OF PORTLAND IN OREGON

BY: Paulette Furness *Paulette Furness*

Director of Business Affairs

GRUBB & ELLIS COMPANY

BY: *Bradford H. Fletcher*

Bradford H. Fletcher / David C. Squire  
Managing Director

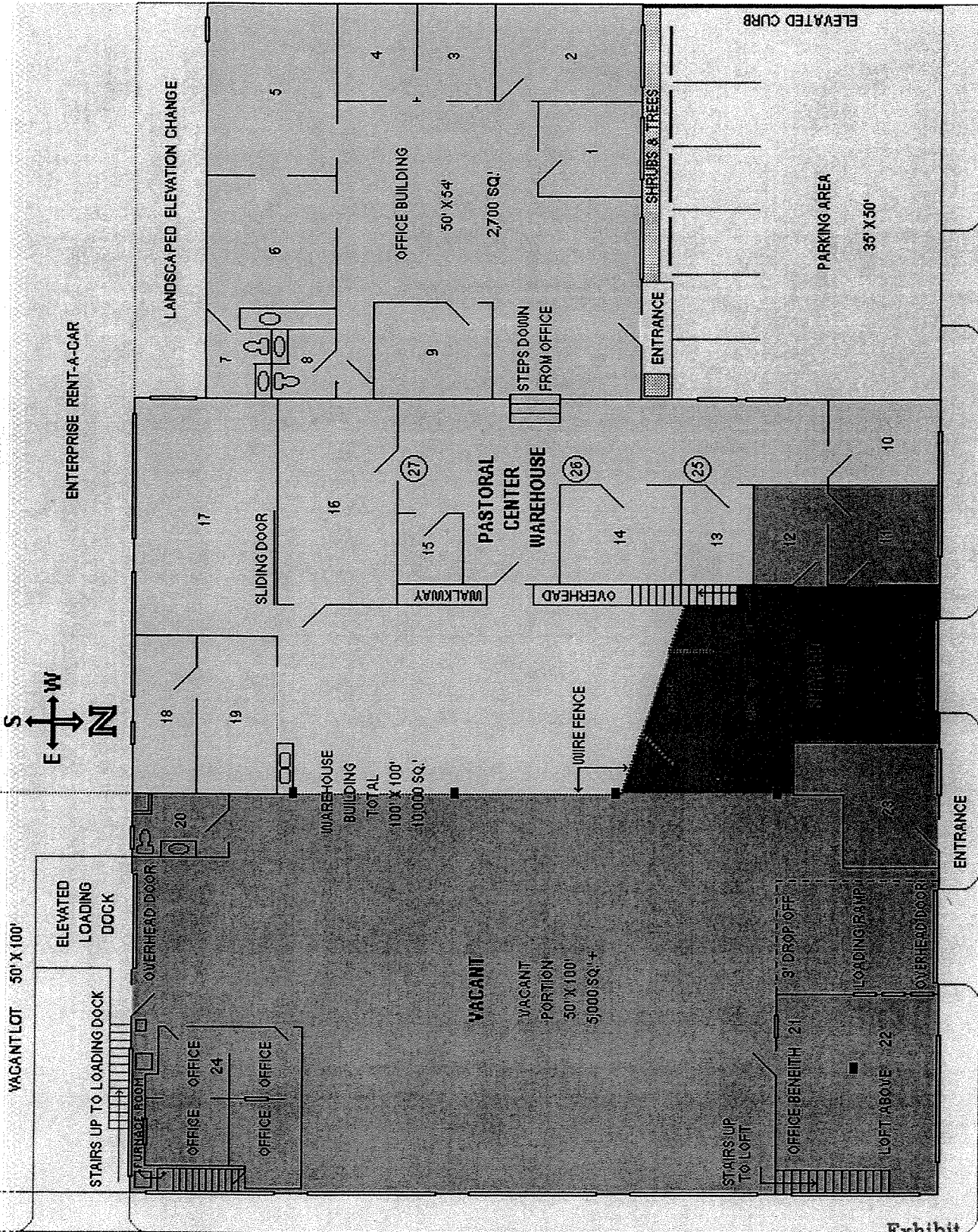
ADDRESS: 2838 E. Burnside Street

Portland, Oregon 97214

BY: *Donn M. Sullivan*

Donn M. Sullivan - Designated Broker

TELEPHONE: (503) 234-5334



N.W. COUCH STREET

1. OFFICE - 12' X 13' - 156 SQ.'
2. OFFICE - 12'6" X 17' - 212.5 SQ.'
3. OFFICE - 9' X 12'6" - 112.5 SQ.'
4. OFFICE - 9' X 12'6" - 112.5 SQ.'
5. OFFICE - 16'6" X 22' - 363 SQ.'
6. LUNCH ROOM  
16'6" X 19'6" - 321.75 SQ.'
7. MENS RESTROOM
8. LADIES RESTROOM
9. OFFICE - 15' X 12'6" - 187 SQ.'
10. OFFICE - 11' X 14' - 154 SQ.'
11. OFFICE - 12' X 14' - 168 SQ.'
12. OFFICE - 9' X 12' - 108 SQ.'
13. OFFICE - 9' X 12' - 108 SQ.'
14. OFFICE - 12' X 15' - 180 SQ.'
15. OFFICE - 9' X 9'6" - 85.5 SQ.'
16. OFFICE - 15' X 26' - 390 SQ.'
17. STORAGE - 18'6" X 30' - 555 SQ.'
18. STORAGE - 8'6" X 20' - 170 SQ.'
19. STORAGE - 10' X 20' - 200 SQ.'
20. RESTROOM / SHOWER  
8' X 10' - 80 SQ.'
21. OFFICE - 20' X 25' - 500 SQ.'
22. WAREHOUSE LOFT  
20' X 25' - 500 SQ.'
23. SHIPPING OFFICE  
12' X 16'6" - 198 SQ.'
24. OFFICE CLUSTER - 22' X 22' - 484 SQ'
25. UPSTAIRS OFFICE - OVER #13  
10' X 14' - 140 SQ.' \*
26. UPSTAIRS OFFICE - OVER #14  
8' X 14' - 112 SQ.' \*
27. UPSTAIRS OFFICE - OVER #15/16  
14' X 16'6" - 259 SQ.' \*

NOTE:

ROOMS #25, 26, & 27 ARE NOT SHOWN.  
\* ACCESSABLE FROM WAREHOUSE STAIRWAY

**Grubb & Ellis**Property Solutions Worldwide<sup>SM</sup>**AMENDMENT TO LISTING AGREEMENT**

OWNER and Grubb & Ellis Commercial Brokerage Group, a division of Grubb & Ellis Company ("Broker") agree to the following amendment(s) in an Exclusive Authorization of Lease, dated

June 1, 2003regarding the subject property in the City of PortlandCounty of MultnomahState of Oregon, located at 1610 NW Couch Street

and further described as \_\_\_\_\_

1. Expiration date extended to: June 30, 2005

2. Rental amended to: \_\_\_\_\_

3. Price amended to: \_\_\_\_\_

4. Terms amended to: \_\_\_\_\_

5. Other amendments: \_\_\_\_\_

All other terms of said Exclusive Authorization shall remain unchanged.

Dated: 9/22, 2004

OWNER: Archdiocese of Portland in Oregon

By: Paulette Furness

Paulette Furness - Division of Business Affairs

Address: 2838 East Burnside Street

Portland, Oregon 97214

Telephone: (503) 234-5334

Dated: September 29, 2004

BROKER: Grubb & Ellis Commercial Brokerage Group

By: Donn M. Sullivan

Donn M. Sullivan - Designated Broker

Address: 1000 SW Broadway, Suite 1000

Portland, OR 97205

Telephone: (503) 241-1155