RESOLUTION NO. 5160-13

RESOLUTION AUTHORIZING THE EXECUTION OF AN ANNEXATION AGREEMENT WITH THE ESTATE OF LORETTA GARCIA FOR .62 ACRES OF LAND LOCATED AT 17905 SW PACIFIC HWY TAX MAP 2S1 15C TAX LOT 2200

WHEREAS the Estate of Loretta Garcia, represented by Daniel Garcia, Executor, has applied to the City for annexation of the 62 acres of land located outside of the City on the northwest side of SW Pacific Hwy (Tax Map 2S1 15C, Tax Lot 2200); hereafter called the "Subject Property"; and

WHEREAS the Subject Property is occupied by four existing structures including two residential buildings, a multi-tenant commercial building, a garage or shed and a large pole sign; and

WHEREAS the applicant indicates he is preparing to offer the property for sale for redevelopment and there are a number of non-conforming uses, structures or sign issues and conformance with public facility standards that would arise from development or redevelopment of the current property; and

WHEREAS the Annexation Process does not provide an opportunity to address these issues; and

WHEREAS the Annexation Agreement is meant to provide an avenue to address the existing issues, identify the standards and requirements from the TDC and TMC that will apply to the Subject Property upon annexation and redevelopment, and establish the uses and property improvements that upon redevelopment shall be brought into conformance with the TDC and TMC; and

WHEREAS it is in the public's best interest for the City Council to authorize the Annexation Agreement before the Public Hearing on the Annexation of the Subject Property.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Council authorizes the Mayor to sign the attached agreement as referenced above.

INTRODUCED AND ADOPTED this 12th day of August, 2013.

APPROVED AS TO FORM

BY _____
City Attorney

CITY OF TUALATIN, OREGON

BY _____
Mayor

ATTEST:

BY _____
City Recorder

ANNEXATION AGREEMENT
Garcia Property

WHEREAS the Estate of Loretta Garcia property comprising 0.62 acres of land immediately adjacent to the Tualatin City limits generally located northeast of the intersection of SW Pacific Highway (Hwy 99W) and SW 124th Avenue and more commonly known as 17905 SW Pacific Hwy and including Tax Map 2S115C Tax Lot 2200, and legally described in Exhibit A attached hereto (the "Subject Property"); and

WHEREAS the Subject Property is land currently owned by the Estate of Loretta Garcia represented by Daniel Garcia ("Owner"); and

WHEREAS the Subject Property is located within Tualatin's Planning Area on land designated on TDC Map 9-1 as the General Commercial "(CG) Planning District and on TDC Map 9-4 as Design Type "Corridor" (OC). The Subject Property is adjacent to SW Pacific Highway on the southeast. On southwest and across SW Pacific Hwy to the east are properties within the City boundary and developed. Property to the north and west are outside the city boundary and undeveloped; and

WHEREAS it is in the best interests of the public health and safety to determine the adequacy and suitability of improvements on the Subject Property for existing and future development on the property; and

WHEREAS on January 28, 2013 the "Owner" submitted a petition for annexation (ANN-13-01) to the City for that purpose and such petition was deemed complete on February 25, 2013; and

WHEREAS the City and the "Owner" seek to identify existing uses, buildings, structures, signs, access, paving, landscaping and other improvements on the property; and

WHEREAS the City and the "Owner" seek to identify the standards and requirements from the Tualatin Development Code and Municipal Code that will apply to the "Subject Property" upon annexation and at the time of redevelopment. Redevelopment for the purposes of this Agreement is defined as any change to the existing uses or to the existing buildings, structures or site improvements on the Subject Property; and

WHEREAS the City and the "Owner" will establish the uses and property improvements (Exhibit B) that upon redevelopment shall be brought into conformance with the Tualatin Development Code and Municipal Code and shall waive the provisions of Non-conforming Uses, Structures and Signs of Tualatin Development Code Chapter 35 for the specified uses and property improvements.

NOW, THEREFORE, in consideration of the mutual promises contained below, the City and the "Owner" agree as follows:

1. The "Owner" and City agree the following structures, signs, uses, access, and facilities on the "Subject Property" exist at the time of this Agreement (as seen on Exhibit B):
   a) Four existing structures:
      i. Two residential buildings (A, B)
      ii. A multi-tenant commercial building (C)
      iii. A garage or shed (D)
      iv. A pole sign (E)
   b) Existing uses include residential, commercial and outdoor storage of vehicles and material (F).
   c) Existing access points include unpaved ingress and egress from Highway 99W (G) and adjoining unpaved access to Tax Lot 2203 (Nacho Mama's Restaurant) (H). The status of the shared access easement is undetermined.
   d) On-site parking areas (I).

2. The City identifies the Tualatin Development Code (TDC) chapters that will apply to existing structures, signs, uses, access, and facilities on the "Subject Property" as agreed to by the "Owner" and City upon annexation as follows:
   a) General Commercial (CG) Planning District (TDC 54); Community Design (73); Public Improvements (TDC 74); Access Management (TDC 75); Sign Regulations (TDC 38)
   b) The existing pole sign (E) exceeds the maximum dimensions as defined by TDC 38.220 Signs Permitted in the General Commercial Planning District. Current code allows one freestanding pole sign with a maximum 15-foot sign height and 40 square feet of sign face area. The pole sign is subject to a Lease with the "Subject Property" "Owner" (January 1, 2007 Amended April 1, 2013) and is identified in the Washington County Tax Records as account R2163085 and the lease holder identified as Clear Channel Outdoor Inc. (See copy of Property Lease, Attachment 104B)
   c) Residential uses are not permitted in the General Commercial Planning District, TDC Chapter 54.
   d) Outdoor storage is only allowed as a conditional use as per TDC 54.030 General Commercial Conditional Uses and in conjunction with screening as required by TDC 73.160(4) Community Design Standards for Service, Delivery and Screening.
   e) Existing Access:
      i. Ingress and egress from Highway 99W do not meet requirements of TDC Chapters 73 Community Design, 74 Public Improvements, and 75 Access Management for paving, access design, access control, access location, and shared access.
      ii. Shared access to the adjoining Tax Lot 2203 does not meet requirements of TDC 73 Community Design for paving, design, and shared access requirements.

iii. Parking areas do not meet requirements of TDC Chapters 73 Community Design and 74 Public Improvements for paved surfaces, curbing, striping, landscaping or surface water management facilities.

f) Other design standards shall apply upon redevelopment including but not limited to TDC 73 that requires pedestrian facilities connecting buildings and Highway 99W.

3. The "Owner" agrees to remove the existing pole sign identified in sections 1 and 2 above from the "Subject Property" on or before "Owner" submits for an Architectural Review application for Redevelopment of the "Subject Property" as identified in sections 6 and 7 below or prior to December 31, 2015, whichever occurs first.

4. When the Annexation is effective, the "Subject Property" will be designated in the General Commercial (CG) Planning District.

5. Upon annexation, the "Subject Property" will be subject to the standards and requirements of the Tualatin Development Code. The non-conforming uses and improvements on the property that are listed above will be subject to the terms of this agreement. This agreement supersedes the applicable Non-conforming Use, Structures and Signs provisions in TDC 35.020, 35.030 and TDC 35.200.

6. "Owner" waives any and all rights and privileges Owner may have under the applicable Non-conforming Use, Structures and Signs provisions in TDC 35.020, 35.030 and TDC 35.200, and acknowledges this agreement supersedes the applicable Non-conforming Use, Structures and Signs provisions in TDC 35.020, 35.030 and TDC 35.200.

7. The "Owner" agrees that following annexation, any change to the existing uses, site or buildings on the "Subject Property" will initiate redevelopment of the entire "Subject Property". A change in use, alteration or expansion of the buildings or structures of the existing development identified in sections 1 and 2 above will be considered initiation of redevelopment. Removal of the existing pole sign identified in Section 1(a)(iv) and 2(b) in accordance with the terms of Section 3 will not constitute "redevelopment" for the purposes of this section (7).

   Redevelopment shall require an Architectural Review of all of the improvements on the "Subject Property" and will be subject to the requirements of the Tualatin Development Code in effect at the time and in accordance with this agreement. With Redevelopment, all existing structures, signs, uses, access, and facilities on the "Subject Property" will be removed or demolished.

8. The "Owner" shall pay any fees required with building permits and public works permits at the time of redevelopment on the Property.

9. This agreement is binding on the property owner of record and on the "Owner's" heirs, successors, and assigns.

10. This agreement is effective upon signing by the City and the "Owner" and shall continue until all conditions of an Architectural Review Decision for redevelopment of the "Subject Property" are met and a Certificate of Occupancy has been issued for the development by the Building Department.

DATED this (day) of (month) 2013.

OWNER:

By_____
Garcia

CITY OF TUALATIN, OREGON

By_____
Mayor

APPROVED AS TO LEGAL FORM

By_____
City Attorney

ATTEST:

By_____
City Recorder

Exhibit A to Annexation Agreement

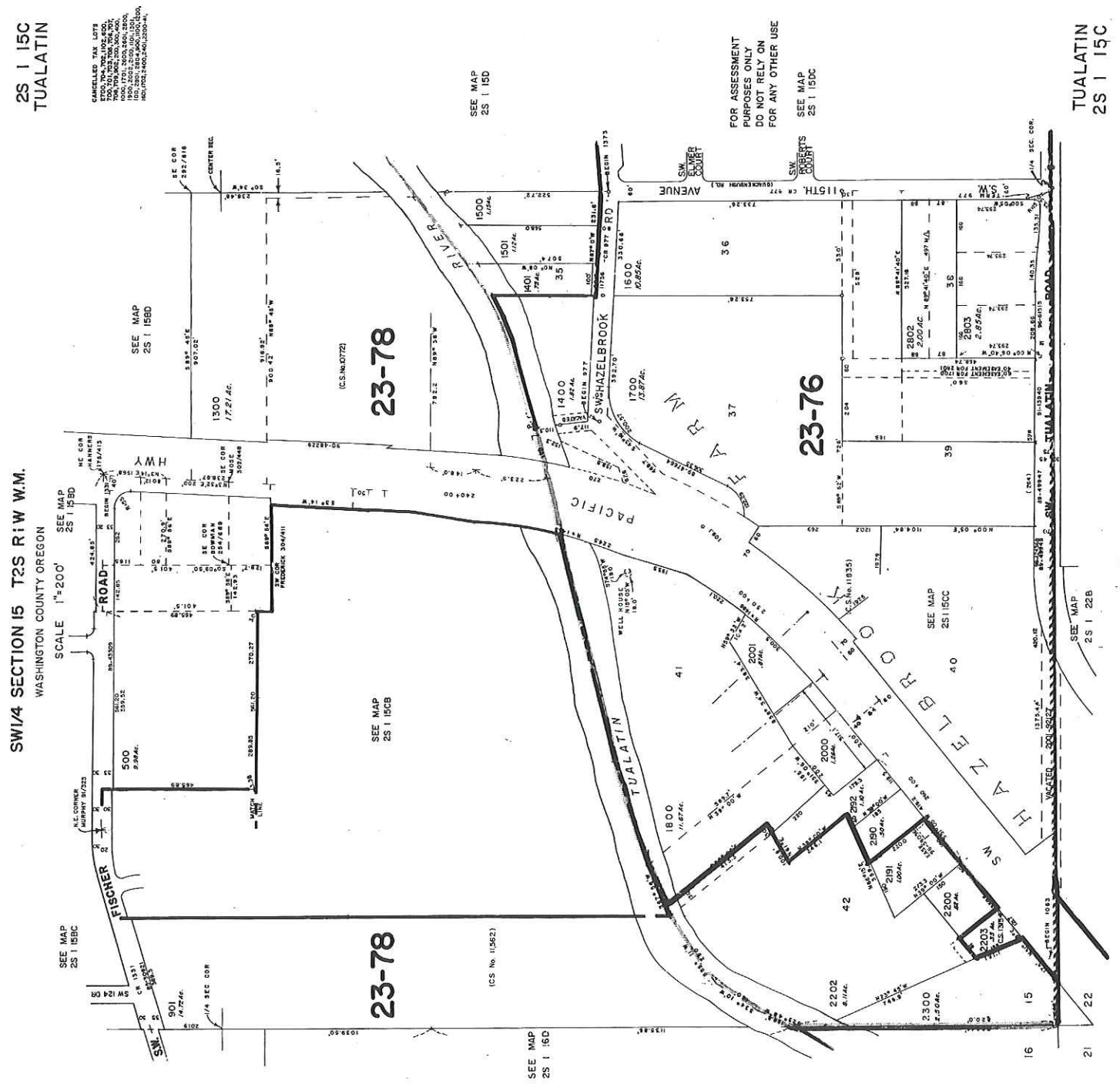
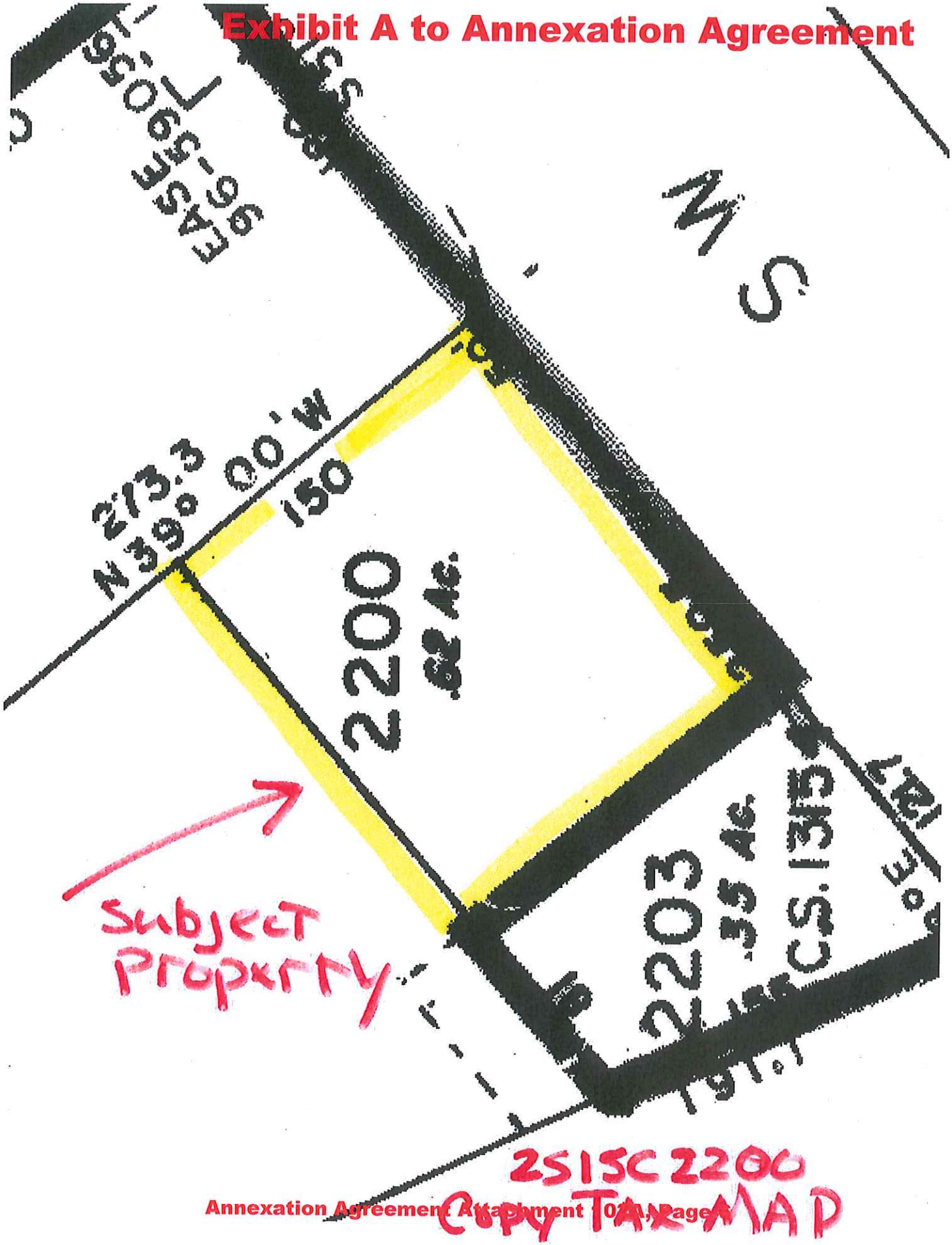


Exhibit A to Annexation Agreement



Garcia Annexation Agreement

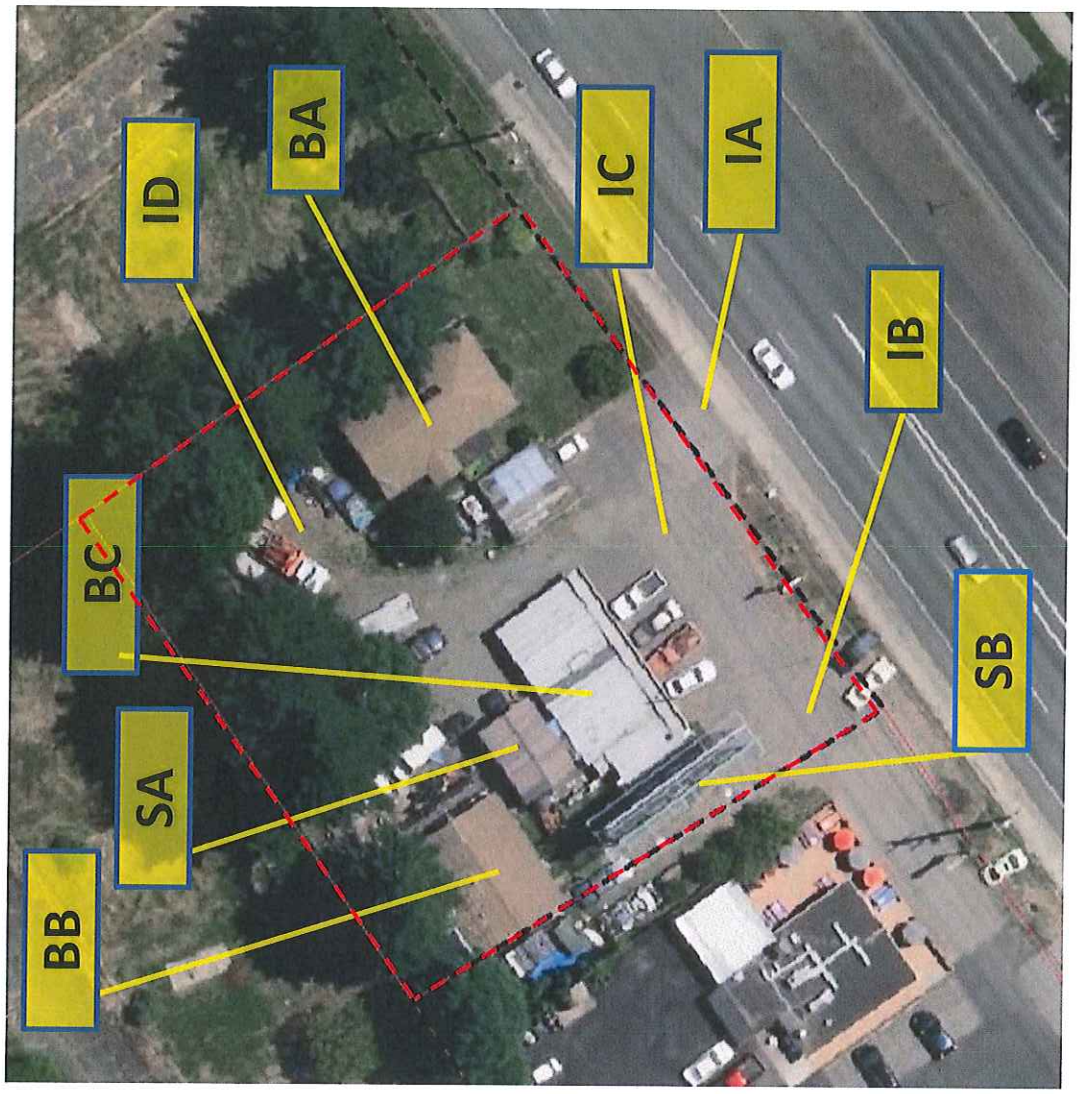
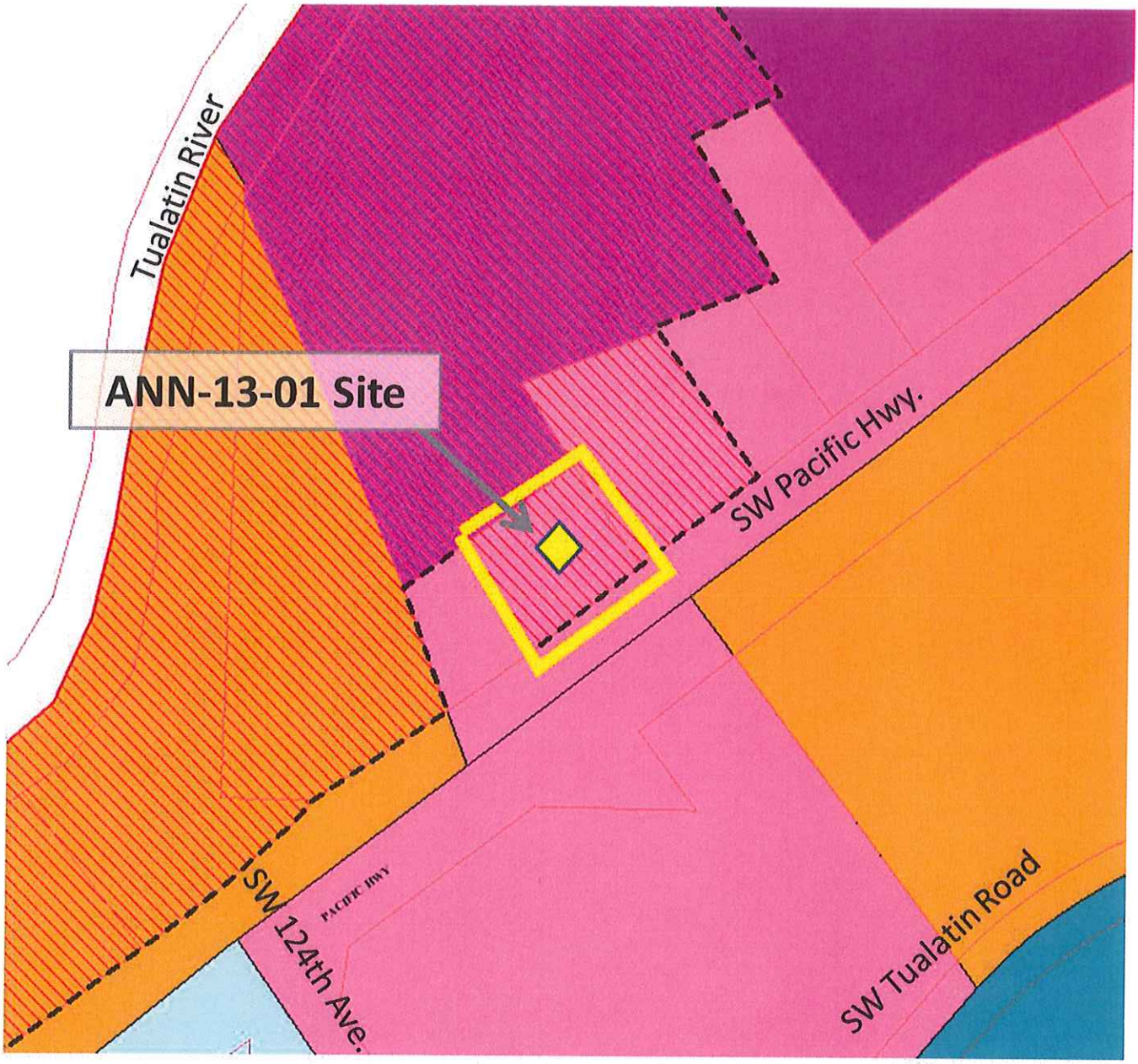


Exhibit B

2S115C00200


Tualatin River
ANN-13-01 Site
SW Pacific Hwy.
SW 124th Ave.
PACIFIC HWY
SW Tualatin Road

SCHWABE, WILLIAMSON & WYATT®
ATTORNEYS AT LAW

Pacwest Center, 1211 SW 5th Ave., Suite 1900, Portland, OR 97204 | Phone 503.222.9981 | Fax 503.796.2900 | www.schwabe.com

KEITH S. BENJAMIN
LAND USE PLANNER
Direct Line: 503-796-2848
E-Mail: kbenjamin@schwabe.com

April 3, 2013

VIA E-MAIL AND FIRST CLASS MAIL

Alice Rouyer
Community Development Director
City of Tualatin
18880 SW Martinazzi Avenue
Tualatin, OR 97062-7092

Aquilla Hurd-Ravich
Planning Manager
City of Tualatin
18880 SW Martinazzi Avenue
Tualatin, OR 97062-7092

Will Harper
Senior Planner
City of Tualatin
18880 SW Martinazzi Avenue
Tualatin, OR 97062-7092

Re: Garcia Annexation: City File No.: ANN-13-01

Dear Ms. Rouyer, Ms. Hurd-Ravich, and Mr. Harper:

You have requested that I supplement Mr. Garcia's annexation application with a letter describing the ownership interests in the property and recounting Mr. Garcia's intent for the annexation. Please accept this letter in fulfillment of that request.

Property Ownership

Loretta Garcia originally acquired the subject property with her husband Angelo in the 1940s. Mrs. Garcia became the sole owner of the property upon Angelo's death in 1997. In 2005 Mrs. Garcia named Daniel Garcia as her personal representative in her Last Will and Testament ("Will"), and this Will also permitted Daniel Garcia, and his brother David Garcia (to whom Daniel Garcia is a caregiver), to reside on the property as long as they live or until they decide to reside elsewhere. In 2008, Washington County appointed Daniel Garcia as the personal representative of Mrs. Garcia's estate following her death in 2008. Interest in the subject property has remained solely with Mrs. Garcia's estate since 2008. Copies of the Will and the Letters Testamentary have previously been provided to you.

During the City of Tualatin's review of the Garcia Annexation Application, Will Harper identified a property tax account number for the subject property that potentially implied Clear Channel Outdoor, Inc. has an ownership interest in the subject property. This tax account number is in addition to the property tax account showing ownership by Mrs. Garcia's estate.

I informed Mr. Harper that the property tax account he identified is associated only with the billboard that presently resides on the property, and is not a result of any ownership interest of the subject property. In addition, I explained that Washington County has the authority to assess taxes on billboards, and this authority is manifested in the creation of a unique property tax account. The relationship between Mrs. Garcia's estate and Clear Channel is, and has always been, that of a landlord and tenant with the billboard functioning as a tenant owned improvement that is separately taxable by Washington County.

Purpose of Annexation

For financial and estate related reasons, Daniel Garcia intends to sell the property and relocate with his brother David. With the future sale of the property in mind, Daniel Garcia adheres to the philosophy that the highest value of the property is that of a redevelopment project because the current use of the subject property is an underutilized and unorganized mix of commercial and residential improvements. In addition to his own interests in selling property, Daniel Garcia is aware that the large adjacent vacant property (owned by Kenneth R. Espedal) has frequently been for sale over the last five years or so, and may again be put up for sale in the near future. Though small in comparison, the subject property can add significant frontage on Pacific Highway to the Espedal property when assembled, making the combined properties more appealing in a redevelopment effort.

Daniel Garcia's interest in preparing to sell the property for a future redevelopment project is magnified by the opportunity created by an assemblage with the Espedal property. Daniel Garcia is not a developer, nor does he intend to be. This proposed annexation is an attempt to better position the subject property for taking advantage of the immediate area's redevelopment possibilities and a general uptick in the real estate market. Effective marketing of the subject property, including the ability to assert that the property is currently zoned General Commercial by the City of Tualatin, will provide Daniel Garcia the opportunity to maximize the value of the longtime family property.

During our meeting on March 20, 2013, you informed me that the City Council will look unfavorably at this annexation proposal without an identification of how and when the property will be redeveloped, especially in the context of the existing nonconformities of the subject property. As stated in this letter, and during our meetings, Daniel Garcia does not have a concept for what redevelopment will look like or when it will actually occur. However, Daniel Garcia is sensitive to the City's request to have the nonconformities addressed to the satisfaction of the City. To that end, Daniel Garcia will make arrangements to have the billboard removed from the property in five years in the event the property is not redeveloped. (This letter assumes any City

issued building permits in conjunction with a redevelopment in five years will automatically require the billboard be removed).

We anticipate a proposed Annexation Agreement that incorporates Daniel Garcia's intent for the subject property to the extent it is acceptable to the City.

Sincerely,

Keith S. Benjamin
Land Use Planner

KSB

cc: Daniel Garcia

CITY OF TUALATIN
RECEIVED

APR 1 7 2013

COMMUNITY DEVELOPMENT
PLANNING DIVISION

AMENDMENT TO LEASE NO: 41322

Landlord (Lessor):	Loretta Garcia Estate
Tenant (Lessee):	Clear Channel Outdoor, Inc. a Delaware Corporation
Date of Original Lease:	January 1, 2007
Date of this Amendment:	April 1, 2013
Number of this Amendment:	One

IN CONSIDERATION OF the agreements, covenants, promises, representations and warranties contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Landlord shall have the right to terminate this Lease if the leased Property is to be improved by permanent construction other than an outdoor advertising display(s). Such termination shall be subject to sixty (60) days advance written notice to CCO of such action, and a copy of the site plan and all required building permits issued by the local government authority. This Lease and Addendum will remain in full force and effect in the event of relocation. Notwithstanding anything to the contrary herein, Section 8 of the Lease is not modified hereby.
2. Should landlord annex the property into the City of Tualatin, Landlord shall have the right to terminate the lease 2 years from the date of annexation should redevelopment not occur prior to that date.

Except as provided in this Amendment, the terms of the Lease remain unchanged, and are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date appearing above.

TENANT:
CLEAR CHANNEL OUTDOOR, INC.
a Delaware Corporation

Sharr M Stark
President

Daniel Dhruva
Real Estate Manager

Date: 4.17.13

Clear Channel Outdoor, Inc.
715 NE Everett
Portland, OR 97232
Attention: Real Estate Manager

Phone: 503-232-3111
Fax: 503-232-7937

LANDLORD:
LORETTA GARCIA ESTATE

Daniel Garcia – Representative of Loretta Garcia Estate

Date: 4 - 17 - 13

Daniel Garcia
17905 SW Pacific Highway
Tualatin, OR 97062

S.S.N./T.I.N: On File
Phone: 503-799-2892
Fax:

Amendment: 04/17/13

NOTARY FOR TENANT:

State Of Oregon
County Of Multnomah

On this 17th day of April, 2013 before me personally appeared SHARR M STARK to me known to be the President of Clear Channel Outdoor, Inc. Portland Division that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Name of Notary: Sandra E Burley
NOTARY PUBLIC in and for the State of Oregon residing at: Portland
My commission expires: 1-17-2017

OFFICIAL SEAL
SANDRA E BURLEY
NOTARY PUBLIC-OREGON
COMMISSION NO. 474535
MY COMMISSION EXPIRES JANUARY 17, 2017

NOTARY FOR LANDLORD:

State Of Oregon
County Of Multnomah

On this 17th day of April, 2013 Before me personally appeared DANIEL GARCIA the Representative of Loretta Garcia Estate that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Name of Notary: Sandra E Burley
NOTARY PUBLIC in and for the State of Oregon residing at: Portland
My commission expires: 1-17-2017

OFFICIAL SEAL
SANDRA E BURLEY
NOTARY PUBLIC-OREGON
COMMISSION NO. 474535
MY COMMISSION EXPIRES JANUARY 17, 2017

NOTARY FOR TENANT:

State Of Oregon
County Of Multnomah

On this 17th day of April, 2013 Before me personally appeared DANIEL DURUVA of Real Estate Manager of Clear Channel Outdoor, Inc. Portland Division that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Name of Notary: Sandra E Burley
NOTARY PUBLIC in and for the State of Oregon residing at: Portland
My commission expires: 1-17-2017

OFFICIAL SEAL
SANDRA E BURLEY
NOTARY PUBLIC-OREGON
COMMISSION NO. 474535
MY COMMISSION EXPIRES JANUARY 17, 2017

Amendment: 04/17/13

H.B. Investment Group LLc

This Lease is made effective as the 25th day of March by and between Loretta Garcia , ("Landlord") and H. B Investment Group LLC. ("Tenant").

1. Premises. In consideration of the rents, terms, provisions and covenants of this Lease, Landlord hereby leases and grants to Tenant a leasehold interest in a portion of the real property located at 17901 SW Pacific Hwy, Oregon, as more particularly described on Exhibit A (the "Real Property"), which portion is shown on Exhibit A-1 attached hereto and made a part hereof, together with any airspace above the Real Property necessary for the improvements (the "Premises").

2. Permitted Use. Tenant shall use the Premises for the purpose of constructing and maintaining one 14 X 48 or 10.6 X36 interstate sign on a single pole together with related improvements and equipment, including illumination fixtures (the "Improvements"). Tenant shall have the right to erect, place, replace and maintain the Improvements in, on or about the Premises as Tenant deems reasonably necessary from time to time, including the right to post, paint, illuminate and advertise on such Improvements, and Tenant acknowledges that the sign pole shall be installed on that portion of the Premises shown on Exhibit A-1. Landlord acknowledges that the location set forth on Exhibit A-1 is approximate and that the drawing is not to scale. Tenant shall indemnify and hold Landlord harmless from all damage to persons or property by reason of any wrongful acts of Tenant or by reason of any accidents resulting from the negligent act of its agents, employees, or others employed by Tenant in the construction, alteration, maintenance, repair or removal of the Improvements.

3. Term. The Lease term shall commence (the "Commencement Date") thirty (30) days prior to construction of the sign. Tenant agrees to provide Landlord written notice of official Commencement Date, and shall terminate ten (10) Lease Years thereafter unless terminated earlier in accordance herewith. A "Lease Year" for purposes hereof shall be a twelve-month period commencing with the Commencement Date and terminating on the last day of the twelfth month thereafter, unless the Commencement Date falls on other than the first day of a month in which event the Lease Year shall commence on the first day of the month following the Commencement Date. The Lease Term shall automatically renew for an additional ten (10) Lease Years unless Tenant gives notice to Landlord of its election to not renew.

4. Rent. Tenant agrees to pay to Landlord, as Rent, the following sums:

a. Execution Rental Fee. Landlord hereby acknowledges receipt from Tenant of a nonrefundable execution rental fee in the amount [redacted] Dollars ([redacted] Cash), paid in consideration for the due execution and delivery of this Lease by Landlord to Tenant.

b. Annual Rent. Tenant agrees to pay Landlord in advance on the first day of each Lease Year during the Term of this Lease the following sums, payable in equal installments.

Lease Year(s)	Annual Rent
One thru Five	[redacted]
Six thru Ten	
Remainder of the Lease	

Loretta Garcia
Daniel Garcia PDA

The first payment will be two year in advanced [redacted]. The next payment will be due at the end of the beginning of the third year. Daniel Garcia P.O.A.

In the event that this Lease commences or terminates on a day other than the first or 1st day of a calendar month, as applicable, then the rent shall be prorated accordingly.

5. Personal Property. All Improvements including all structures, equipment and materials placed upon the Premises by Tenant shall not be deemed to be a fixture and shall always remain the personal property of Tenant at all times and may be removed and/or replaced from time to time by Tenant in accordance with the terms of this Lease.

6. Access. Landlord hereby grants Tenant and Tenant's employees, agents and contractors the right to ingress and egress over the Real Property for the purpose of erecting, altering, maintaining, replacing, repairing and removing the Improvements at all times during the term of the Lease. Landlord also agrees that Tenant may connect to existing power or bring power across the Real Property (at Tenant's expense) to the Improvements. If Tenant connects to existing power, Tenant shall install a flow meter (at Tenant's expense) and pay the costs of such metered power within ten (10) days of receipt of an invoice for such power from Landlord.

7. Termination. In the event that (a) any of Lessee's sign on the premises becomes entirely or partially obstructed or destroyed; (b) the premise cannot safely be used for the erection or maintenance of Lessee's signs thereon for any reason (c) the view of Lessee's sign is obstructed or impaired in any way by any object or growth on any property or any neighboring property owned or controlled by Lessor; (d) the Lessee is unable to obtain any necessary permits for the erecting and/or maintenance of such sign(s) as the Lessee may desire; (e) the Lessee be prevented by law from construction and/or maintaining on the premises such sign(s) as the Lessee may desire; then the Lessee, may at its options, terminate the Lease on fifteen (15) day's notice in writing. Lessor agrees thereupon to return to the Lessee any rent paid in advance for the unexpired term.

8. View. Landlord agrees not to obstruct or permit any other person to obstruct the view of the advertising display or improvements in any manner whatsoever and Landlord grants to Tenant an easement for light and air over any contiguous real property owned or controlled by Landlord. Landlord agrees to remove any obstruction within thirty (30) days of receipt of written notice from Tenant. Landlord will allow the tenant to remove (at tenant's expense) any trees that interfere with the sign view from the freeway.

9. Entire Agreement. This Lease contains the sole agreement of the parties relating to the Lease of the above-described Premises. Neither party will be bound by any statement or promises, oral or written, unless such statements, warranties or promises are set forth specifically in the Lease.

10. Representations. Landlord represents and warrants to Tenant that (i) Landlord is the fee simple owner [redacted] Real Property of which the Premises above described are a part, (ii) Landlord has full authority to make this Lease without consent of any other person or entity, (iv) this Lease does not cause a breach or default of any agreement of Landlord pertaining to the Real Property, and (v) there are no hazardous, toxic or other substances of which manufacture, disposal, storage or use is regulated by applicable federal, local or state rules, ordinances or laws nor are there any underground tanks in, on or about the Premises. Landlord acknowledges that Tenant is relying on these representations and warranties. Tenant will not allow any construction liens on the property by it contractors.

Shall DG POA 10/10/06

11. Taxes. All personal property tax, real property tax or other tax associated solely with the Improvements or the advertising display shall be borne by Tenant.

12. Subordination. Tenant agrees that this Lease may be subordinated to the interest existing and future bona fide third party mortgagees or holders of deeds of trust, provided (i) such subordination is expressly conditioned upon such mortgage or holder not disturbing the rights of Tenant under this Lease. Furthermore, in addition to and not in limitation of any other rights or

Loretta Garcia
Daniel Garcia POA

remedies of Tenant, in the event that Landlord is in default under any mortgage, deed of trust or other lien, Landlord shall promptly notify Tenant of such default and Tenant shall have the option, but not the obligation, to cure Landlord's default directly with the mortgage or holder and offset the cost of such cure against any sums due Landlord under the Lease.

13. Subleasing and Assignment. Tenant shall have the right to sublease, transfer, or assign this Lease to others including the ownership of the Improvements. Notice of such sublease, transfer or assignment will be promptly given by Tenant to Landlord together with a copy of the sublease or assignment of Lease. All the terms and conditions of this Lease shall continue to apply to Landlord, and the subleases, transferee or assignee of Tenant. Landlord will have the option to approve the transfer or assignment but it will not be unreasonable withheld.

14. Permits. Any permits or governmental licenses or other third party approvals which Tenant requires in connection with the Improvements shall be at the sole cost and expense of Tenant; however, Landlord agrees to reasonably cooperate with Tenant to obtain such permits and/or licenses. If Tenant, for any reason, does not obtain the building permit or other license or approval in connection with the Improvements then Tenant may, upon thirty (30) days prior notice to Landlord, terminate this Lease and neither party shall have any further obligation or liability to the other.

15. Miscellaneous.

a. The terms and conditions of the Lease shall be interpreted and applied in good faith by the parties. To the extent that Landlord's consent is required by Tenant, Landlord agrees to not unreasonably withhold or delay such consent. Each party agrees not to directly or indirectly attempt to circumvent the intent of this Lease by means of transfers of real property or otherwise which would frustrate the purposes of this Lease.

b. All of the rights and obligations under this Lease shall apply to and bind the heirs, successors, executors, administrators, transferees, assigns and subleases of the parties hereto. Either party may record this Lease or a memorandum thereof.

c. Neither party shall be deemed in default hereof unless notice of default has been received by certified mail or overnight recited express mail at the addresses set forth below and the defaulting party fails to cure such default within fifteen (15) days of receipt of such notice. (Either party shall notify the other in writing from time to time of a change of address.) In the event of a default hereunder, the nondefaulting party shall have all rights and remedies at law or in equity, including the right to perform the defaulted obligation at the cost or expense of the other and the right of offset.

d. This Lease shall be governed by the laws of the State of Oregon.

e. Subject to the terms of this Lease, Landlord covenants and agrees that Tenant shall have quiet enjoyment of the Premises and Tenant's rights hereunder. Upon expiration or termination of this Lease Tenant shall have the right to remove its improvements in accordance with then billboard industry standards within 30 days.

f. Landlord shall, within fifteen (15) days of receipt of any notices from any person or entity regarding the Improvements, deliver a copy of such notice to Tenant at the address set forth herein by certified, registered or recited overnight express mail

g. The prevailing party in any suit, arbitration or legal action shall recover reasonable attorney's fees and all actual costs.

Lorette Garcia
Daniel Garcia PG,J

h. Tenant will have a right of first refusal to match any offer made to buy the property with like terms and will have 30 day to do so. If the Tenant wishes to wave that right he may do so in writing any time after the offer has been presented to the tenant for there evaluation.

i. H.B. Investment will do the following within 60day of the construction of the sign: Agree to remove the trees that block the sign completely and install 5 small trees along the fence line as a buffer to the restaurant next store. These will be small trees that don't grow up in to the line of site of the sign and can be trimmed when need be.

3-28-06

By: _____ Date

Printed Name:

Address:

TENANT:
H.B. Investment Group, LLC.

By: _____ Date 3-28-06

EXHIBIT A TO STANDARD BILLBOARD LEASE

by and between

Loretta Garcia and Daniel Garcia P.O.A.

and

Media Investment Group LLC.

LEGAL DESCRIPTION

The following described lot or parcel of land situate, lying and being situate in the County of Clackamas, State of Oregon, to wit:

Ref Parcel # 2S1-15CD-02200 OR 17901-17905 SW Pacific Hwy

Loretta Garcia
Daniel Garcia

EXHIBIT A-1 TO STANDARD BILLBOARD LEASE

By and between

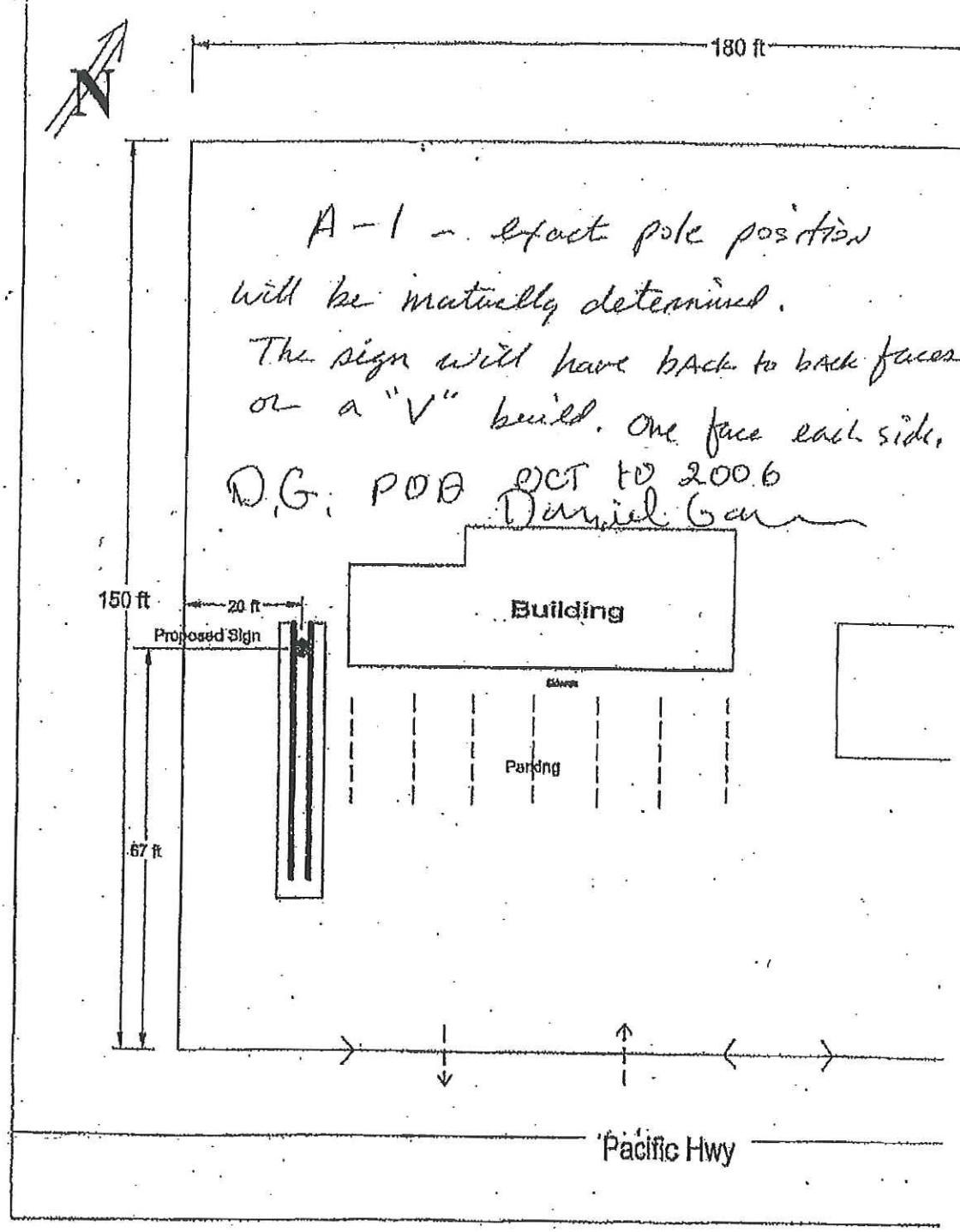
Loretta Garcia and Daniel Garcia P.O.A.

and

H.B. Investment Group LLC.

LOCATION OF POLE

Attached



A-1 - Exact pole position will be matually determined.
The sign will have back to back faces or a "V" build. One face each side.
D.G. POD OCT 10 2006
Daniel Gan

FILED
JUDICIAL DEPARTMENT
WASH
08 JUL -8 PM 4: 32

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF WASHINGTON
PROBATE DEPARTMENT

ESTATE OF:	)	
	)	
LORETTA L. GARCIA	)	NO. C08-0355PE
	)	
	)	**LETTERS TESTAMENTARY**
Deceased.	)	

THIS CERTIFIES that the will of LORETTA L. GARCIA, deceased, has been proved and DANIEL R. GARCIA has/have been and is/are at the date hereof the duly appointed, qualified and acting PERSONAL REPRESENTATIVE(S) of the will and the estate of the decedent.

IN WITNESS WHEREOF, I, as Clerk of the Circuit Court of the State of Oregon, for the County of Washington, in which proceedings for administration upon the estate are pending, do hereby subscribe my name and affix the seal of the Court this 8th day of July, 2008.

(Seal)

WASHINGTON COUNTY CIRCUIT COURT

BY: _____
COURT CLERK

****

STATE OF OREGON	)	
	) ss	
County of Washington	)	

I, a Circuit Court Clerk of the State of Oregon for Washington County, do hereby certify that the foregoing copy of Letters Testamentary has been compared by me with the original, that it is a correct transcript therefrom and of the whole of such original Letters Testamentary, as the same appear on file and of record in my office and in my custody and that said Letters are still in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court this 8th day of July, 2008.

(Seal)

WASHINGTON COUNTY CIRCUIT COURT

BY: _____
COURT CLERK

Annexation Agreement Attachment 104C