



# OFFICE OF MULTNOMAH COUNTY ATTORNEY

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June\_\_\_\_, 2015

## **CENTRAL CITY CONCERN**

**Attn: Kristy Faricy**  
**232 NW Sixth Avenue**  
**Portland, Oregon 97209**

**Re: Binding Letter Agreement to Execute the First and Second Amendment to that Certain Lease dated the 1<sup>st</sup> Day of April 2011, between Central City Concern and Multnomah County.**

**Dear Ms. Faricy:**

Central City Concern (CCC), as Lessor under the above referenced lease (the "Lease") has undertaken the sale of a portion of the existing leased premises to Trinsic Acquisition Company, LLC, 3100 Monticello, Suite 900, Dallas, Texas 75205 ("TRG"), which intends to develop a multi-story, mixed use project. CCC's sale of the portion of the leased premises to TRG also includes the partial demolition and re-construction of several aspects of the leased premises, including the permanent physical alteration of portions of the leased premises. Multnomah County (the "County") is the Lessee under the Lease and operates the Crisis Assessment and Treatment Center ("CATC") on the leased premises through a contracted service provider, Telecare.

CCC, through a separate Easement and Operating Agreement (EOA) with TRG, commits to provide for County's parking, emergency access and the second story outdoor facility through an easement grant from TRG in the EOA over a portion of the former leased premises upon its sale to TRG. Further, under the EOA, the County understands that TRG projects a construction period of 18 months duration, starting in the summer of 2015, that will cause disruption of the quiet peace and enjoyment of the County and Telecare in the leased premises, the full extent and nature of which is not fully understood at this time.

At this time, in May 2015, CCC has sought the County's consent to all these above discussed impacts, disruptions and changes to the County's leasehold interest and rights to allow for CCC's land sale to TRG to proceed. At this time it is agreed by CCC and the County that several provisions of the Lease will need to be amended to reflect the impacts, disruptions and long-term changes brought about by CCC's sale to TRG, but that certain provisions cannot at this time be properly drafted to address all of these changes, e.g. the description of the Premises. Nonetheless, the County has agreed to consent to these impacts, disruptions and changes to the County's leasehold interest and rights on the condition that the Lease will be amended to include the revisions, as either outlined or set forth specifically in this Binding Letter Agreement (BLA).

The consideration received by CCC under this BLA is the County's consent to the impacts, disruptions and changes to the County's leasehold interests and rights. Additional consideration to CCC is the County's waiver of rights regarding certain sale proceeds from the above proposed sale to TRG, which the County holds under a certain 2005 Purchase and Sale Agreement (PSA) between the County and CCC; said waiver to be subject to a separate agreement between the County and CCC amending the PSA.

The consideration received by the County under this BLA is CCC's stipulation and commitment to execute the First Amendment to the Lease, which will include the revisions as either outlined or set forth specifically in this BLA. As additional consideration, CCC warrants and guarantees that during the period of construction the County shall have the use of an Oregon Health Authority (OHA) approved temporary outdoor access area, which CCC stipulates and agrees is essential for the County's OHA-licensed use of the leased premises.

In acknowledgements of the valuable consideration mutually exchanged and received as described herein by CCC from the County and by the County from CCC; the County and CCC hereby agree and stipulate that they will execute two amendments to the Lease:

The First Amendment will be executed to incorporate the changes that can be dealt with in the next thirty (30) days. The County and CCC have identified that the time to execute the First Amendment to the Lease shall be on or before June 30,, 2015.

The County and CCC will execute a Second Amendment to the Lease at such time that the internal construction alterations to the CATC are complete and construction plans for the entire Project are at 100% completion, and the County and Telecare have each had sufficient time to review and coordinate all required OHA review and approval of the changes to the leased premises sought by CCC and imposed on the County. The County and CCC have identified the time to execute the Second Amendment to the Lease is on or before July 31, 2016.

### **First Amendment.**

Subject to the terms and conditions set forth in this BLA as evidenced by the appropriate signatures of the officers or officials with the ability to bind and obligate CCC and the County, respectively as set forth below, CCC and County stipulate and agree the First Amendment to the Lease shall specifically include the following:

1. Existing text relating to an option to renew on the first page, in the fourth paragraph; is deleted and replaced with the following:

Lessee has the option to renew this lease for an additional three year term upon giving the Lessor 90 days written notice before the expiration of the current lease term in 2018. If lessee elects that option, at the expiration of that three year term in 2021, lessee shall have the option for up to two (2) additional five (5) year renewal terms beyond 2021, that if fully utilized will provide for the Lease term to be extended through March 31, 2031. Lessee's option to extend the Lease term, in each case, shall be exercised by giving the lessor 90 days written notice before the expiration of the then current term. The rent for any additional terms under this Section shall be based on a 2.5% annual increase from the previous year's annual rate.

2. Add at Section II. Subsection B, USE OF PREMISES, the following new provisions (new language is italicized):

B. The lessee will not make any unlawful, improper or offensive use of the premises; the lessee will not suffer any strip or waste thereof; the lessee will not permit any objectionable noise or odor to escape or to be emitted from the premises or do anything or permit anything to be done upon or about the premises in any way tending to create a nuisance, *except as is consistent with and as allowed under Subsection A of this Section II of this Lease, lessee's operation of the Crisis Assessment and Treatment Center (CATC) at the Premises has historically been and shall continue to be a facility where loud and/or disruptive behavior may occur by individual residents or patients, and that such behavior is anticipated and to be tolerated as a part of treatment of the patients or residents and, as such, these types of behaviors are not and shall not be deemed to be a nuisance under this Lease or otherwise actionable against lessee or its authorized service provider at the CATC.*

3. Add at Section II. USE OF PREMISES, Subsections E the following new text:

E. County's potential displacement because of TRG construction activities as provided under that certain Construction Activities Reimbursement Agreement is not "abandonment" under this Lease.

4. Add at Section IV. MAINTENANCE, REPAIRS AND IMPROVEMENTS, Subsection B, the following new sentence: It is further understood that the construction activities and the impacts authorized by the certain Easement and Operating Agreement between CCC and Trinsic Acquisition Company (LLC) (EOA) to the leased premises are not covered under this Section IV, Subsection B, and said activities and impacts are not covered by any required waiver hereunder of lessee.
5. Existing text related to indemnity found at Page 4, Section XI, the first paragraph under "Liability Insurance," is deleted and replaced with the following "Reciprocal Indemnification" clause:

**Reciprocal Indemnification:** Each party will indemnify, defend, and hold harmless the other party and its respective partners, directors, officers, officials, agents, and employees from and against any and all third-party claims for bodily injury and/or property damage arising from or in connection with any accident, injury, or damage, even if caused in part by the negligence of the indemnitee or its partners, directors, officers, officials, agents, and employees occurring in, at, or on an area under the care, custody, and control of the indemnitor, together with all costs, expenses, and liabilities incurred or in connection with each such claim, action, or proceeding brought thereon, including, without limitation, all attorney fees and expenses at trial and on appeal. Any obligation imposed under this Lease on lessee (which shall mean collectively lessee's officials, officers, employees and agents) to defend, hold harmless or indemnify lessor and specifically under this Section, are subject to and limited under the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 to 30.300), and specifically subject to and within the financial limits set forth at ORS 30.272 for local public bodies.

6. Add to Section XVIII, ATTACHMENT BANKRUPT DEFAULT, the following new text:

Lessor will not be deemed to be in default of the performance of any obligation required to be performed by lessor hereunder unless and until lessor fails to perform the obligation within twenty (20) days after written notice by lessee to Lessor specifying the nature of

lessor's alleged default; however, if the nature of lessor's alleged default is such that more than twenty (20) days are required for its cure, then lessor will not be deemed to be in default if Lessor commences performance within the twenty (20)-day period and thereafter diligently prosecutes the same to completion. In the event of any default by lessor, lessee may exercise any and all rights and remedies available at law or in equity.

7. Add the following new Section XXV:

**Quiet Enjoyment** Lessor warrants that as long as lessee complies with all terms of this Lease, lessee will have quiet and peaceful possession of the leased premises free of disturbance by lessor or others claiming by or through lessor, excepting that activities authorized under and performed in full compliance with the EOA, shall not be considered a disturbance of lessee's quiet enjoyment.

### **Second Amendment.**

Subject to the terms and conditions set forth in this BLA as evidenced by the appropriate signatures of the officers or officials with the ability to bind and obligate CCC and the County, respectively as set forth below, CCC and County stipulate and agree the Second Amendment to the Lease shall specifically include and provide for the following additional changes to the Lease as amended by the First Amendment:

1. A new description of the Leased Premises, the Common Areas, the Parking Area and requisite Exhibit(s) clearly showing exactly how the same are established in the reconfigured leased space. The new descriptions shall provide for the same or greater square footage as the existing description for the Leased Premises, Common and Parking Areas and with the same or better functionality and usability as the existing arrangements.
2. New text to describe and identify the rights of the County under Section II. USE OF PREMISES, Subsection F. Subsection F will be amended to reflect the changes noted to the Common Areas and Parking Area addressed in Number 1 above.

Failure by CCC to comply with the terms and conditions of this BLA shall be a default. If, within ten (10) days following written notice from the County to CCC specifying the basis of default, CCC does not correct the default; the County shall be authorized to declare a default and a breach of this BLA. Upon the declaration of a default and breach of this BLA, the County may exercise any remedies at law, in equity or by statute. CCC will be liable to the County for all damages caused by CCC's default.

Assuming CCC agrees to the terms and conditions as set forth herein, I have included two original Binding Letter Agreements, which have been executed by Chair Deborah Kafoury. Please have the appropriate party sign both originals and return one original to me. I have enclosed a self addressed, stamped envelope for that purpose.

Thank you in advance for your cooperation in this regard.

Sincerely,

JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

Matthew O. Ryan  
Assistant County Attorney

**IT IS SO AGREED**

**IN WITNESS WHEREOF**, the County and CCC have executed this Binding Letter Agreement to Amend the Lease as specifically provided above on the respective dates set opposite their signatures below:

**For Lessor:**

**CENTRAL CITY CONCERN**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**For Lessee:**

**MULTNOMAH COUNTY**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Deborah Kafoury, Chair

