

TERMINATION OF GROUND LEASE AGREEMENT

This Termination of Ground Lease Agreement (this "Termination"), is made and entered into as of the ____ day of March, 2013 by and between **The Port City Development Center**, an Oregon not for profit corporation, as Ground Lessor ("Port City"), and **Multnomah County, Oregon**, a political subdivision of the State of Oregon, as Ground Lessee ("County").

RECITALS:

WHEREAS, on November 7, 2000, County issued its \$2,000,000 Motor Vehicle Rental Tax Revenue Bonds, Series 2000A (501(c)(3)) (the "Bonds") to finance the construction, renovation, improvement and equipping of certain facilities on real property acquired by Port City at 2124 N. Williams Ave., Portland, further described in Exhibit "A" attached hereto (the "Premises"), for use as a vocational training center subleased and operated by Port City;

WHEREAS, on November 1, 2000, Port City and County entered into a Ground Lease Agreement ("Ground Lease") of the Premises from Port City to County, and a Sublease Agreement, of the Premises from County to Port City, providing for Port City's payment of monthly rent to be used by County to repay the Bonds (the "Sublease");

WHEREAS, on November 29, 2007, Port City and County entered into a First Amendment to Ground Lease;

WHEREAS, the amendment to the Ground Lease extended the Ground Lease Term to correspond with the Sublease, as amended, permitting Port City's full payment of the Rental Amounts over an extended term. Despite such accommodations, Port City has not been able to keep current on payment of monthly Rental Amounts;

WHEREAS, by letter dated January 9, 2013, County provided Port City written notice of a Sublease Default in accordance with Section 11.1(a) of the Sublease;

WHEREAS, Section 3.3 of the Ground Lease provides that, if the Sublease is terminated based on a Sublease Default, County shall be entitled to exclusive possession and use of the Premises until the ninety-nine (99) year remaining Term of the Ground Lease expires, subject however to the rights of Port City to sell and the rights of County to purchase or sell the Premises under Section 11.2 of the Sublease;

WHEREAS, Port City has notified County of Port City's intent to discontinue its use of the Premises, its intent not to continue to occupy the Premises after February 1, 2013, or attempt to sell the Premises, and its willingness to convey its right, title and interest in and to the Premises to County in full satisfaction of Port City's obligation to pay the total Rental Amounts required by the Sublease; and

WHEREAS, Port City and County desire to terminate the Ground Lease effective upon Port City's delivery of its deed conveying the Premises to County, in accordance with the terms and conditions set forth in this Termination;

NOW, THEREFORE, in consideration of the above recitals, which are a material part of this Termination, and the mutual covenants and agreements set forth herein, Port City and County hereby agree as follows:

AGREEMENTS:

- 1. Terms Defined in the Ground Lease.** Except as modified herein, or unless the context shall clearly indicate some other meaning, all words and terms used in this Termination that are defined in the Ground Lease shall, for all purposes of this Termination, have the respective meanings given to them in the Ground Lease.
- 2. Port City's Conveyance of the Premises to County.** Effective upon execution of the Termination of Sublease, Port City shall execute and deliver a statutory bargain and sale deed, in the form attached as Exhibit "B," to the Termination of Sublease, conveying ownership of the Premises to County.
- 3. County's Title.** The parties agree and acknowledge that County's intent in accepting Port City's conveyance of title is to secure proceeds to reimburse County's repayment of the Bonds and is, therefore, "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.
- 4. Relinquishment of Premises.** Effective upon Port City's delivery of its statutory bargain and sale deed to County, Port City shall relinquish possession of the Premises to County and shall remove Port City's personal property from the Premises, except for any equipment, fixtures, supplies and records needed for continuation of the vocational training services on the Premises.
- 5. Termination of Ground Lease Agreement.** Effective upon Port City's performance of its obligations set forth in Paragraphs 2 and 4, the Ground Lease shall be terminated and Port City shall be released of all claims and liabilities to County, its successors and assigns, relating to the Premises, the Rental Amounts and the bonded indebtedness. All decisions of County relating to the Premises after execution of this Termination, including entry into a replacement lease with another qualified vocational services provider, the level of maintenance of the Premises, or disposition of the Premises or conversion of the Premises to another use, shall be made by County in County's absolute and unfettered discretion.

6. **Execution in Counterparts.** This Termination may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Termination as of this ____ day of _____, 2013.

Port City:

THE PORT CITY DEVELOPMENT CENTER,
an Oregon not for profit corporation

By: _____
(Print Name) _____
President, Board of Directors

County:

MULTNOMAH COUNTY, OREGON, a political
subdivision of the State of Oregon

By: _____
Jeff Cogen
Chair

EXHIBIT "A"

Legal Description of the Premises

PARCEL 1: The West 85 feet of Lots 25 and 26, and the South 10 feet of the West 85 feet of Lot 24, Block 23, ALBINA, in the City of Portland, County of Multnomah and State of Oregon, and

PARCEL 2: That part of Lots 24, 25, and 26, Block 23, ALBINA, in the City of Portland, County of Multnomah and State of Oregon, described as follows, to wit:

Beginning at the Southeast corner of said Lot 26, and thence running Northerly along the East lines of said Lots, 110 feet; thence Westerly and parallel with the South line of said Lot 24, a distance of 40 feet; thence Southerly and parallel with the East lines of said Lots, 110 feet to the South line of said Lot 26; and thence Easterly 40 feet to the place of beginning.