

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 08-049**

Approving a Lease Termination and Replacement Lease with Yum! Brands, Inc., for Real Property Located at 18510 SE Stark Street, Gresham, Oregon, for the Purpose of Developing the East County Justice Facility and Authorizing County Chair to Execute Appropriate Documents to Complete the Transaction

**The Multnomah County Board of Commissioners Finds:**

- a. By Resolution 07-038, dated February 22, 2007, the Board Approved the East County Justice Facility Project Plan ("Project Plan"), which created a capital project and directed Facilities and Property Management Division ("Facilities") to proceed with site acquisition.
- b. By Resolution 07-169, dated November 18, 2007, the Board approved the purchase property located at 18430-18510 SE Stark Street, Gresham, Oregon 97233, ("Property") for the purpose of siting the East County Justice Facility. The acquisition closed in December 2007.
- c. The Property was acquired subject to a leasehold interest ("Lease") held by Yum! Brands Inc. ("Lessee"). The Lessee operates a Taco Bell restaurant on the Property in a long-term lease. Facilities has determined that relocating the Taco Bell restaurant to another site at the Property will facilitate the development and operation of the East County Justice Center. Facilities has conducted extensive negotiations with the Lessee in order to investigate the relocation of the restaurant to a more suitable site on the Property.
- d. It is in the best interests of the County to enter into a new lease relocating the Lessee to a site at 18430 SE Stark Street, Gresham, OR, on the terms and conditions set forth in the attached Letter of Intent (Exhibit 1).

**The Multnomah County Board of Commissioners Resolves:**

1. It is in the best interests of the County to terminate the Lease with Yum! Brands, Inc., for real property, located at 18510 SE Stark Street, Gresham, OR, and to enter into a replacement lease on the terms and conditions outlined in the attached Letter of Intent.

2. The Chair is authorized to execute documents necessary to complete the Lease termination substantially consistent with the terms and conditions set forth in the attached Letter of Intent.

ADOPTED this 24th day of April 2008.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John S. Thomas, Deputy County Attorney

SUBMITTED BY:

Carol M. Ford, Director, Dept. of County Management



***Yum! Brands, Inc.***

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14841 Dallas Pkwy  
Dallas, TX 75254


April 11, 2008

Mr. Michael Sublett  
401 N Dixon Street  
Portland, OR 97227

RE: 18430 SE Stark St, Gresham, OR

Dear Mr. Sublett,

Following is the proposal regarding Taco Bell's interest in entering into a long term Ground Lease to operate a freestanding restaurant with drive-thru at the above referenced property. Please forward this document to the appropriate individual or entity. As such, the following are the main deal points for the proposed Ground Lease:

1. Lessee: Taco Bell Corp., a California corporation.
  2. Lessor: Multnomah County Oregon
  3. Premises: A drive-thru restaurant on approximately 19,992 s.f.
  4. Term: Twenty (20) years, plus three (3), five (5) year options.
  5. Rent: The rent shall commence at \$45,000 per year and shall increase by 10% every five (5) years.
  6. Rent Commencement: The earlier of the date on which Lessee opens its restaurant to the public for business or 150 days after the later of a) LL has delivered possession of the premises to Lessee and b) all permits are received by Lessee. Lessee will continue to pay rent at its current location. Current lease will terminate upon commencement of the new lease.
  7. Delivery of pad: Lessee will accept pad "as is" subject to survey, soils, title, and environmental reports provided by Lessor. Lessee will be responsible for all site preparation, including deconstruction/demolition of the existing structure. Lessor will be responsible for deconstruction/demolition of Lessee's existing structure.
  8. Taxes, insurance Lessee shall maintain the Premises and pay its pro-rata
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***Yum! Brands, Inc.***

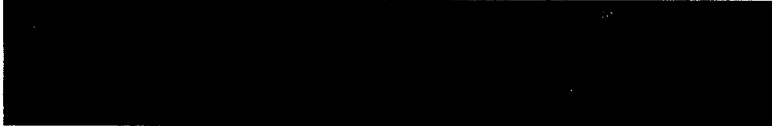
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- & Maintenance:** share of taxes, insurance and CAM charges.
9. **Construction:** Lessee shall construct a Taco Bell building with drive— thru at Lessee's cost.
10. **Signage:** Lessee shall be allowed to install its own building signage, subject to governmental approval. Lessee shall be allowed to erect pole signage on the property, subject to governmental approval.
11. **Lease Form:** The lease shall be prepared by and be on Lessee's form, subject to Lessor's review and approval.
12. **Assignment:** Lessee shall have the right to assign this Lease or sublease all or part of the Premises without consent of Landlord, provided the sublessee has a financial position and business presentation no less than the Lessee and is compatible with the civic operations of the Lessor. If Lessee assigns this Lease, Lessee shall remain liable for three (3) years after the date of assignment, and, provided the assignee performs all obligations of Lessee under this Lease during such three (3) years, Lessee shall thereafter be released from any further liability under this Lease. Lessor shall have a right of first refusal on any assignment, the form of which will be negotiated as part of a binding lease.
13. **Contingencies:**
- A. Inspection Period: 90 days after the Lease Agreement is fully executed.
- B. Permitting Period: 180 days after the Lease Agreement is fully executed, plus two (2), thirty (30) day extensions if so required.

The parties do not intend this letter to be a contract or to be bound by this letter. A contract will not exist unless and until the parties have executed a formal agreement approved by their respective counsel regarding the subject matter of this letter and containing all other essential terms of any agreed upon transaction.

The parties acknowledge that they have not set forth herein nor agreed upon all essential terms of the subject matter of an agreed transaction, including without limitation, warranties and representations, conditions precedent, indemnities and other





*Yum! Brands, Inc.*

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anticipated terms, and that such essential terms will be the subject of further negotiation. If this Letter of Intent accurately reflects the Seller's understanding with respect to the matters set forth herein, please have them date and execute a copy of this Letter of Intent where indicated below and return it to me at your earliest convenience. Please contact me at the number below if you have any questions or require any additional information. I await your reply.

Sincerely,

*Dana Cahill*

Dana Cahill  
Real Estate Manager

Acknowledged and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

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

Title: \_\_\_\_\_

