

## GRANT AGREEMENT

This Grant Agreement ("Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2004 between Cascadia Behavioral Healthcare, Inc., an Oregon non-profit corporation ("Grantee"), whose mailing address is PO Box 8459, Portland, Oregon 97207 and Multnomah County, a political subdivision of the state of Oregon ("Grantor"), whose address is Housing Program, 501 SE Hawthorne, Room 600, Portland, OR 97214

### Recitals

A. Grantee is an Oregon non-profit corporation. Grantee will acquire and renovate a property located at 5725 NE Prescott Street, Portland, Oregon into a 50-unit low-income housing complex (the "Project"). The Project shall be subject to the following minimum requirements for a period of 60 years from the date of first occupancy:

Rent Grantee shall rent 48 residential units of the Project (the "Affordable Units") at rents affordable to households earning not more than thirty percent (30%), of area median income, adjusted for family size, as established by the United States Department of Housing and Urban Development, provided that rental charged may be at Fair Market Rent for such units rented to persons who are provided with Housing and Urban Development or other Rental Assistance. Two units of the Project shall be provided for use by resident managers of the Project.

Qualified Tenants. Grantee will rent the Affordable Units to households with incomes at the time of initial occupancy which in the aggregate do not exceed those specified above and which have at least one member who is Chronically Homeless and/or who has a mental illness or substance abuse disability.

Housing Type. The Project will be operated as Permanent Supportive Housing for individuals who are Chronically Homeless. Permanent Supportive Housing is housing that is available indefinitely to qualifying tenants; that provides services to tenants designed to assist in successful tenancy; and that is occupied by individuals with disabilities. Chronically Homeless individuals are persons having a mental illness or substance abuse disability that has contributed to their being homeless for either a) one continuous



year; or b) four or more episodes in the three years previous to occupancy at the Project.

Special Service Programs. In addition to the above, Grantee may rent the Affordable Units to and provide services to individuals having a mental illness or substance abuse disability whose most recent residence was at a health, mental health, correctional or other institution and who are at risk of becoming homeless.

B. Grantor is willing to Grant Grantee the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Grant"), which Grant is made pursuant to the provisions of Grantor's Countywide Strategic Investment Program, to be used solely for reimbursement of Grantee's acquisition, predevelopment, development and financing costs of the Project.

## **Agreement**

Therefore, the parties agree as follows:

### **Section 1**

#### **Incorporation of Recitals and Exhibits**

1.1 Recitals. The foregoing recitals are incorporated into this Agreement by this reference.

1.2 Exhibits. The exhibits referred to in and attached to this Agreement are incorporated into this Agreement by this reference.

### **Section 2**

#### **Representations and Warranties of Grantee**

2.1 Representations and Warranties of Grantee. In order to induce Grantor to enter into this Agreement and make the Grant, Grantee represents and warrants to Grantor, as follows:

- (a) The Grantee is (i) a duly organized non-profit corporation



under the laws of the state of Oregon, (ii) qualified to transact business in the state of Oregon, (iii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iv) has the full legal right, power, and authority to execute and deliver this Agreement.

(b) The execution and performance of this Agreement by the Grantee (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Grantee is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or to the knowledge of the Grantee, threatened against or affecting it, or any of its properties or rights, which if adversely determined, might materially adversely affect Grantee's ability to perform its obligations hereunder.

(d) Grantee has furnished Grantor with a Countywide Strategic Investment Program Funding Application which application is complete and correct in all material respects.

(e) This Agreement will be a valid and binding obligation of Grantee, enforceable in accordance with its terms except as the same may be limited by bankruptcy, insolvency, reorganization, or similar laws or general principals of equity affecting creditors' rights generally.

(f) The Property is properly planned and zoned for the Project's intended use.

(g) Grantee is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

2.2 Effectiveness of Representations and Warranties. Grantee represents and warrants to Grantor that the representations and warranties set forth in Section 2.1 are true and will continue to be true until the conditions of the Grant have been fully satisfied and will continue to be true until the Grant is repaid or otherwise satisfied.

### Section 3



## **Conditions to Funding Grant**

3.1 Prior to distribution of funds under the Grant, the following conditions shall be satisfied:

- (a) The representations set forth in Section 2 shall be true and correct.
- (b) Receipt by Grantor of satisfactory evidence that the Project when completed will comply with all applicable zoning ordinances, building and use restrictions and codes, including any applicable variances, conditional use permits or similar exceptions, and evidence of the existence of necessary utilities and municipal services required to construct and operate the Project.
- (c) Receipt by Grantor of evidence of good standing in Grantee's state of organization and of copies of resolutions of Grantee authorizing receipt of the Grant funds under the terms and condition set forth herein, and listing the individuals authorized to act on behalf of Grantee.
- (d) Receipt by Grantor of a copy of Grantee's determination letter from the Internal Revenue Service, in full force and effect as of the date hereof, determining that Grantee is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

## **Section 4**

### **Grant Terms**

4.1 Grant of Funds. Grantor will grant to Grantee the sum of One Hundred Fifty Thousand Dollars (\$150,000.00).

4.2 Federal Funds. Grantor represents that the funds to fund this grant are general funds of the Grantor and were not funded from any federal source.

## **Section 5**

### **Covenants of Grantee**

5.1 Covenants. Grantee covenants to Grantor that it will perform all of the covenants contained herein in accordance with all of the terms and conditions contained in this Grant Agreement.

## **Section 6**



## **Disbursement of Grant Funds**

6.1 Disbursement. The Grant funds shall be used solely for reimbursement of acquisition, predevelopment, development and financing costs of the Project incurred by Grantee. Grant funds shall be disbursed to Grantee, upon satisfaction of the conditions set forth in Section 3 of this Agreement and upon receipt of invoices from Grantee for reimbursement of such costs, accompanied by documentation of such costs incurred by Grantee satisfactory to Grantor and copies of any reports or other documents the cost of which is requested to be reimbursed. Disbursement of funds shall be made in the amounts of such invoices approved by Grantor within thirty (30) days after Grantor's receipt of the invoices and the required documentation. Invoices shall not be submitted to Grantor more frequently than once per month.

## **Section 7**

### **Events of Default**

7.1 Events. The occurrence of any one or more of the following shall be an event of default under this Agreement:

(a) Grantee fails to perform or comply with any term, covenant or condition of this Agreement within 30 days after written notice from Grantor to Grantee to perform or satisfy the covenant or condition, or if the performance or compliance cannot be completed within such 30-day period through the exercise of reasonable diligence, the failure to commence the required performance or compliance with diligence to completion.

(b) Grantee fails to comply with any requirement of any governmental authority having jurisdiction over the Property within 30 days after receipt of notice in writing of such requirement, or if such compliance cannot be completed within such 30-day period through the exercise of reasonable diligence, the failure to commence the required performance or compliance with diligence to completion.

(c) Any representation or warranty herein or in any agreement executed pursuant hereto or in connection with this transaction shall prove to have been false or misleading in any material respect.

(d) The occurrence of a default under any lien instrument secured by the Property or the Project or any agreement imposing restrictive covenants with respect to the Property or the Project which is not cured within any



cure period provided in such lien instrument or agreement.

(e) The filing by Grantee of a petition for relief under the Federal Bankruptcy Code, or any other applicable federal or state law or regulation, or the consent by it to the filing of any such petition or the consent to the appointment of a receiver, liquidator, assignee, trustee, or other similar official, of Grantee, or of any substantial part of its property, or the making by Grantee of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or the taking of corporate action by Grantee in furtherance of any such action.

(f) The commencement of an action against Grantee seeking any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar relief under any applicable federal or state law or regulation, which action is not dismissed within 60 days after commencement, or the appointment without the consent or acquiescence of Grantee of any trustee, receiver or liquidator of Grantee, or of all or any substantial part of the properties of Grantee, which appointment is not vacated within 60 days after such appointment.

## **Section 8**

### **Remedies**

8.1 Remedies. If an event of default occurs, Grantor may , but shall not be required to, exercise any one or more of the following remedies in addition to those remedies provided by law:

- (a) Withhold disbursement of Grant funds.
- (b) Recover from Grantee all previously distributed Grant funds.
- (c) Exercise or pursue any other remedy or cause of action allowed by law.

## **Section 9**

### **Assignment**

9.1 Assignment by Grantee.

(a) Grantee may not convey, assign, mortgage, pledge, transfer, hypothecate, encumber, or otherwise dispose of its rights or obligations under this



Agreement without the prior written consent of Grantor, which consent shall not be unreasonably withheld. A breach of this provision, directly or indirectly, shall be an event of default and shall not vest any rights in the purported transferee.

9.2 Assignment by Grantor. Grantor may assign its rights and obligations under this Agreement. Any such assignment shall be deemed to have been made pursuant to this Agreement and not in modification hereof.

## Section 10

### General Provisions

10.1 Time of the Essence. Time is of the essence of this Agreement.

10.2 Notices. All notices, demands, requests, or other communications between the parties shall be given in writing by mailing or delivering by private carrier such notice or other communication, postage or delivery charge prepaid, to the address of the parties first set forth above, or to such other addresses as the parties may in writing hereafter indicate.

10.3 No Waiver; Remedies Cumulative. No failure or delay on the part of Grantor to exercise any right, power or remedy on the part of Grantor shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof; nor shall the waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Grantor of any provision or condition of this Agreement must be in writing and shall be effective only to the extent set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to Grantor, shall be cumulative and not alternative.

10.4 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. However, Grantee shall not have the right to assign its rights hereunder or any interest except as provided in Section 9.1 of this Agreement.

10.5 Attorney's Fees. In the event Grantee defaults hereunder, the undersigned promises and agrees to pay the reasonable costs of Grantor to recover distributed Grant funds. If suit or action is filed hereon, the undersigned also promises to pay Grantor's reasonable attorney's fees, expenses, and costs in such suit or action or on any appeal there from, including, but not limited by, fees and



expenses permitted or defined by statutory law, and including without limitation all fees and expenses incurred at trial, on appeal, on petition of review, in connection with arbitration or mediation, and in a bankruptcy proceeding of any nature.

10.6 Governing Law. This Agreement, and any other instruments or agreements required or contemplated hereunder, shall be governed by and interpreted in accordance with the laws of the state of Oregon, without regard to the conflict of law provisions of Oregon law.

10.6 Counterparts. This Agreement may be executed in two or more counterparts all of which shall constitute one agreement, binding on all parties hereto, even though all parties have not signed the same counterpart.

10.7 Integration. This Agreement, and any other instruments or agreements required or contemplated herein, constitute the entire agreement of the parties hereto. This Agreement, the note and the other instruments and agreements required or contemplated herein supersede all prior communications, representations or agreements, oral or written, among the parties hereto and shall not be amended except in writing by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

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**GRANTEE:**

Cascadia Behavioral Healthcare, Inc.

By: 

**GRANTOR:**

Multnomah County, Oregon

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

Diane M. Linn, Chair

**REVIEWED BY:**

Agnes Sowle, County Attorney for  
Multnomah County, Oregon

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