

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

**RESOLUTION NO. 2018-105**

Approving Sale and Leaseback of the McCoy Building, 408 SW 5th Avenue, Portland, Oregon, to Urban Renaissance Group, LLC.

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

- a. The McCoy Building, 408 SW 5th Avenue, Portland, Oregon ("Property") has been used as the headquarters for the Multnomah County Health Department ("MCHD"). The County is now building a new headquarters and upon completion of the new headquarters, the County will no longer need this Property. Multnomah County Health Department operations at the Property will transfer to the new Multnomah County Health Department headquarters once it is complete.
- b. During the period between sale of the Property and transfer of operations to the new headquarters, headquarter operations will continue at the Property pursuant to the Lease set forth in Exhibit 2 to this Resolution.
- c. In light of the foregoing, the Director of the Multnomah County Facilities and Property Management Division ("Director") has determined that there is no current or anticipated County use for the Property, other than continued Multnomah County Health Department headquarters operations until transfer of those operations to the new headquarters. Accordingly, through Resolution 2018-033 (April 19, 2018), the Board declared the Property surplus and directed county staff to prepare and market the Property for disposition and solicit public comment through a 60 day public comment period.
- d. Staff has complied with the Board's directives and, in consultation with its marketing consultant on this matter, CBRE, recommends sale and leaseback of the Property on the terms and conditions set forth in the Purchase and Sale Agreement ("Agreement") attached hereto as Exhibit 1 and the Real Property Lease ("Lease") attached hereto as Exhibit 2.
- e. It is in the best interests of the County to act on Staff's recommendation.

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

1. It is in the best interests of the County to sell the Property to Urban Renaissance Group, LLC, on the terms and conditions set forth in the Agreement and to lease the Property back from Urban Renaissance Group, LLC, on the terms and conditions set forth in the Lease.
2. The Chair is authorized to execute all documents necessary to complete the sale and lease of the Property on terms substantially consistent with the Agreement and the Lease; and is further authorized to direct Staff to satisfy all conditions of the Agreement and Lease needed to ensure a timely closing of the sale and due performance of the Lease.

**ADOPTED this 1st day of November, 2018**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

*Deborah Kafoury*

Deborah Kafoury, Chair

REVIEWED:

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

By 

Jed Tompkins, Senior Asst. County Attorney

**SUBMITTED BY:** Bob Leek, Interim Director, Department of County Assets

## PURCHASE AND SALE AGREEMENT

### McCoy Building

Reference Date (for reference purposes only): October 26, 2018

THIS PURCHASE AND SALE AGREEMENT, MCCOY BUILDING ("Agreement"), is made and entered into as of the last date of signature indicated below (the "Effective Date") by and between MULTNOMAH COUNTY, an Oregon political subdivision ("Seller"), and Urban Renaissance Group LLC, a Washington limited liability company registered to transact business in Oregon ("Buyer" or "URG"), (each a "Party" and collectively the "Parties") who, intending to be legally bound, DO HEREBY AGREE AS FOLLOWS:

#### 1. Purchase and Sale.

1.1. Generally. In accordance with this Agreement, Buyer agrees to purchase and acquire from Seller, and Seller agrees to sell and convey to Buyer that certain real property located at 408 SW 5th Ave., Portland, Oregon, legally described in Exhibit A and developed with the McCoy Building ("Building") as substantially shown in the Floor Plans set forth in Exhibits B-1 through B-13 consisting of 97,981 net rentable square feet together with all improvements, fixtures, easements, and all other appurtenances thereon and thereto, and together with, if applicable, the Personal Property as set forth in Section 8 of this Agreement ("Property").

1.2. Purchase Price. The purchase price for the Property shall be Eleven Million One Hundred Thousand Dollars (\$11,100,000.00) ("Purchase Price").

1.3. Escrow. The purchase and sale of the Property shall be accomplished through an escrow opened jointly by the Parties within two (2) business days after full execution of this Agreement at Chicago Title Company of Oregon, National Commercial Services, 1211 SW Fifth Avenue, Suite 2130, Portland, Oregon 97204 (ATTN.: Patricia Parsons) ("Escrow Agent" or "Title Company") (collectively, "Escrow"). At the time of opening Escrow, the Parties shall deliver into Escrow a fully executed copy of this Agreement together with the fully executed copy of the lease agreement pursuant to which Seller shall lease the Property from Buyer after Closing attached hereto as Exhibit D ("Lease"). Buyer and Seller hereby authorize their respective advisors to execute and deliver into Escrow any additional or supplemental instructions as may be necessary or convenient to implement the terms of this Agreement and to close this transaction. In the event of any conflict between such additional or supplemental instructions and the terms of this Agreement, the terms of this Agreement shall control.

#### 1.4. Payment of Purchase Price.

1.4.1. Earnest Money Deposit. Within three (3) business days after opening of Escrow, Buyer shall deposit into Escrow Twenty-Five Thousand Dollars (\$25,000.00) as earnest money towards the purchase of the Property ("Committed Earnest Money") together with Four Hundred Seventy-Five Thousand Dollars (\$475,000.00) as earnest money towards the purchase of the Property ("Initial Earnest Money"). Further, within three business days after waiver or satisfaction of all Conditions Precedent pursuant to Section 2 of this Agreement ("Waiver or Satisfaction"), Buyer shall deposit into Escrow an additional Five Hundred Thousand Dollars (\$500,000.00) as additional earnest money towards the purchase of the Property ("Additional Earnest Money"). Except as otherwise provided in this Agreement, the Committed Earnest Money, the Initial Earnest Money, and the Additional Earnest Money shall each be deemed nonrefundable to Buyer as of the earlier of the date deposited into Escrow or the date by which each such Earnest Money is required to be deposited into Escrow under this Agreement (even if not so deposited).

- 1.4.1.1. Earnest Money deposited into Escrow (whether the Committed Earnest Money, the Initial Earnest Money, or the Additional Earnest Money) shall be deposited in the form of cash, wire transfer of funds, certified check, or cashier's check. All such Earnest Money shall be credited to the Purchase Price at Closing.
- 1.4.2. Balance of Purchase Price. On or before the Closing Date, Buyer shall deposit into Escrow the balance of the Purchase Price in the form of cash, wire transfer of funds, certified check, or cashier's check.
- 1.5. Section 1031 Like-Kind Exchange. Each Party acknowledges that either Party (as applicable, the "Exchanging Party") may elect to engage in and affect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, involving the Property (or any legal lot thereof) (a "1031 Exchange"). The non-exchanging party with respect to a 1031 Exchange is referred to herein as the "Cooperating Party." Buyer and Seller each hereby agrees to reasonably cooperate with the other in completing each such 1031 Exchange; provided, however, that such cooperation shall be at the Exchanging Party's sole expense and shall not delay the Closing for the Property. Accordingly, the Exchanging Party may assign the Exchanging Party's rights with respect to the Property (or any legal lot thereof) to a person or entity for the purpose of consummating a 1031 Exchange ("Intermediary"), provided that such assignment does not delay the Closing for the Property (or applicable legal lot thereof), or otherwise reduce or diminish the Exchanging Party's liabilities or obligations hereunder. Such assignment by the Exchanging Party shall not release the Exchanging Party from the obligations of the Exchanging Party under this Agreement. The Cooperating Party shall not suffer any costs, expenses or liabilities for cooperating with the Exchanging Party and shall not be required to take title to the exchange property. The Exchanging Party agrees to indemnify, defend and hold the Cooperating Party harmless from any liability, damages and costs arising out of the 1031 Exchange.
- 1.6. Acceptance. If Seller does not fully execute this Agreement within five (5) business days after notice from Buyer that Buyer has fully-executed this Agreement, with such notice containing a true and accurate copy of this Agreement fully-executed by Buyer, then this Agreement shall be deemed automatically terminated.
2. Conditions Precedent to Purchase.
- 2.1. Buyer's obligation to purchase the Property is conditioned on the following ("Condition Precedent"):
- 2.1.1. Within thirty (30) days after the date of the later to occur of the Effective Date or the date of Seller's Board approval of this Agreement, Buyer's approval, in its sole and absolute discretion, of the results of Buyer's Due Diligence pursuant to Section 3 of this Agreement.
- 2.2. Buyer's Notice of Waiver or Satisfaction. If Buyer has not given written notice to Seller of waiver or satisfaction of the Condition Precedent within the time period allowed in Section 2.1 of this Agreement, this Agreement shall be deemed automatically terminated. Neither Seller nor Buyer shall act or fail to act for the purpose of permitting or causing the Condition Precedent to fail or otherwise not be satisfied, except to the extent that Buyer, in the exercise of its sole discretion, exercises its right to disapprove the Condition Precedent or any item or matter of concern therein.
- 2.3. Failure of Condition Precedent. In the event the Condition Precedent is not timely waived or satisfied, for a reason other than the default of Buyer or Seller under this Agreement, Escrow Agent is hereby instructed to promptly take the following actions, with each of the following instructions and actions surviving any termination of this Agreement prior to Closing:
- 2.3.1. Release the Committed Earnest Money to Seller unless otherwise expressly provided in this Agreement;

- 2.3.2. Refund the Initial Earnest Money to Buyer;
- 2.3.3. Return to Seller and Buyer all documents and all other funds delivered or deposited into Escrow by each Party, respectively, that are held by Escrow Agent as of the date of termination of this Agreement; and
- 2.3.4. Collect from Buyer, or deduct from any funds held in Escrow and refundable to Buyer, any and all Escrow cancellation charges. Buyer shall indemnify, defend, and hold harmless Seller from all liens, damages, judgments, liabilities, costs, and expenses (including reasonable attorneys' fees and experts' fees) arising from or relating to any claims or demands of Escrow Agent in connection with or arising out of the collection of any such cancellation charges. This agreement to indemnify, hold harmless, and defend Seller shall survive any termination of this Agreement.
3. Due Diligence. Buyer and Buyer's agents, employees and contractors shall have the right to conduct, in Buyer's sole discretion and at Buyer's sole cost and expense, any and all due diligence reasonably related to Buyer's intended use of the Property or otherwise reasonably related to the purchase of the Property during the time period set forth in Section 2.1.1 of this Agreement ("Due Diligence"). Due Diligence may include review of: zoning, land use approvals, architectural and engineering plans, drawings, specifications, permits, surveys, leases, operating expenses, vendor contracts, preliminary title report, environmental review, engineering studies, and any other inspections, tests, surveys or other reviews reasonably within the scope of Due Diligence.
- 3.1. Property Inspection.
- 3.1.1. During Due Diligence, Buyer may, at its sole cost and expense and risk, enter the Property (including during regular business hours when approved by Seller under this Section 3.1) for the purpose of conducting any and all inspections reasonably related to Buyer's intended use of the Property or otherwise reasonably related to the purchase of the Property ("Instance of Entry"). For purposes of this Section 3.1, the term "Buyer" shall include any person conducting any inspection of the Property at the direction of or otherwise on behalf of Buyer. Buyer shall ensure that each and every such person complies with the requirements and other terms set forth in this Section 3.1 and is contractually subject to the obligations of Buyer set forth in this Section 3.1.
- 3.1.2. In each Instance of Entry, prior to entering the Property, Buyer shall provide Seller with at least thirty-six (36) hours advance notice of the Instance of Entry and shall obtain Seller's approval (not to be unreasonably withheld, conditioned or delayed) of the intended date and time of such entry and, in addition to complying with all other terms of this Agreement, shall conduct such entry in accordance with any condition(s) imposed by Seller pursuant to Section 3.1.3 of this Agreement.
- 3.1.3. Buyer acknowledges that: Seller conducts its business, including but not limited to health services and operations, in the Building and that: (a) Protected Health Information (PHI), Personal Information (PI) and other Confidential Information (CI) is or may be located in the Building; (b) federal and state law obligate Seller to protect PHI and PI from certain forms and instances of disclosure, including disclosure of PHI or PI to Buyer, and that Seller could be subject to substantial fines, penalties, or other damages or liabilities as a result of improper disclosure; (c) similarly, certain forms and instances of disclosure of CI could subject Seller to damages or liabilities; and (d) in order to facilitate Seller's compliance with law and avoidance of damages or liabilities resulting from improper disclosure of PHI, PI or CI, it is appropriate for Seller to impose reasonable conditions, as set forth herein, on each or any Instance of Entry for the purpose of protecting PHI, PI, or CI from improper disclosure. In furtherance of the foregoing acknowledgements, Buyer agrees:
- 3.1.3.1. "PHI" means any information in oral, written or electronic form that relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an

individual, or to payment for providing health care to an individual. PHI includes demographic information collected on or about an individual.

3.1.3.2. “PI” has the meaning given in ORS 646A.602(11).

3.1.3.3. “Confidential Information” means any Seller (County) nonpublic information in any form (whether written, electronic, verbal, or otherwise) regarding Seller or its business practices, employees or patients, clients or other services recipients including, but not limited to, any and all unpublished information owned or controlled by Seller that relates to the clinical, technical, business, administrative, or financial operations of Seller and which is not generally disclosed to the public, including, without limitation, patient information, clinical data, technical data, proprietary processes or designs, trade secrets, inventions, proprietary computer software, plans for future projects, business and marketing plans, policies, strategies, financial data and information, employee information, customer lists, vendor lists, supplier identities and pricing policies and information, whether disclosed orally, in writing or by inspection. “Confidential Information” does not include any information provided to Buyer by Seller or required to be provided to Buyer by Seller under this Agreement.

3.1.3.4. Subject to standards of reasonableness and good faith, Seller may impose the following conditions on each or any Instance of Entry: (a) Seller may establish the time of day during which each or any Instance of Entry may occur; (b) Seller may require Buyer to follow certain access procedures, such as signing in and out, visibly wearing a visitor badge, or the like; and (c) Seller may require each or any Instance of Entry to be supervised by Seller for the purpose of escorting Buyer in or around the Property in a manner intended to prevent, avoid, or mitigate improper disclosure of PHI, PI, or CI.

3.1.3.5. Buyer does not have a need to access or view PHI, PI, or CI in order to conduct any inspection of the Property and shall not copy, use, reveal or otherwise disclose to a third-party, or, with respect to moveable PHI, PI, or CI, remove any PHI, PI, or CI from the Property.

3.1.3.6. Buyer agrees to maintain the confidentiality of any PHI, PI, or CI that Buyer may incidentally or inadvertently encounter, view or have access to while conducting an inspection of the Property.

3.1.3.7. Buyer agrees not to further use or disclose any PHI, PI, or CI that it incidentally or inadvertently views or obtains access to and further agrees to implement appropriate safeguards to prevent any further use or disclosure of any PHI, PI, or CI that is incidentally or inadvertently viewed or accessed by Buyer.

3.1.3.8. Buyer agrees to cooperate with Seller and perform such reasonable activities as Seller may request, in order to mitigate any harmful effects as a result of a wrongful access, use or disclosure of PHI, PI, or CI by Buyer.

3.1.3.9. Buyer agrees to immediately report to Seller any use or disclosure of PHI, PI, or CI its knows or suspects violates this Agreement, HIPAA or any other federal, state or local law or regulation by emailing **privacy@multco.us**.

3.1.3.10. Seller may remove and exclude from the Property any person participating in a Buyer inspection of the Property at any time for violations of the terms of this Section 3.1.

3.1.3.11. The obligations of confidentiality and non-use and non-disclosure set forth in this Section 3.1 will continue indefinitely from the effective date of this Agreement and shall survive termination of this Agreement.

- 3.1.4. Prior to the close of each instance of entry under this paragraph, Buyer shall restore the Property to substantially the condition the Property was in prior to such entry.
- 3.1.5. Buyer shall indemnify, defend, and hold harmless Seller and its officers, directors, agents and employees ("Seller's Parties") from and against any and all liens, claims, actions, damages, judgments, liabilities, costs, and expenses (including reasonable attorneys' fees and experts' fees) ("Claims") caused by, arising out of, relating to, or in connection with Buyer's entry on and inspection of the Property, including but not limited to: (a) Buyer's handling, storage, discharge, transportation or disposal of any "hazardous substance" or "hazardous material" as defined at ORS 466.605 (7); and (b) Buyer's violation of any term set forth in Sections 3.1.2 or 3.1.3. For purposes of this paragraph, damages, costs, liabilities and expenses shall include any amounts claimed to be owed by any regulating and administering agency. The agreements in this paragraph to indemnify, defend, and hold harmless Seller, as well as Buyer's obligation in this paragraph to restore the Property, shall survive Closing or any termination of this Agreement. Notwithstanding the foregoing, Buyer's indemnity and defense obligations in this Section 3.1 shall not extend to protect Seller and Seller's Parties from any Claims to the extent, on a comparative fault basis, such Claim is attributable to the gross negligence or willful misconduct of Seller. Further, notwithstanding the foregoing, Buyer's indemnity and defense obligations in this Section 3.1 shall not extend to protect Seller and Seller's Parties from any Claims to the extent attributable to Buyer's mere discovery of the existence of a condition of the Property or a violation of a statute, law, ordinance, deed restriction, rule, or regulation with respect to the Property. For purposes of this Section 3.1, the term "gross negligence" means negligence that is materially greater than the mere absence of reasonable care under the circumstances and is characterized by conscious indifference to or reckless disregard of the rights of others. For purposes of this Section 3.1, the terms "gross negligence" and "willful misconduct" shall not include: (a) any omission by Seller with respect to maintenance or repair of the Property; or (b) any obligation on Seller's part to take any extra or special care or precaution. Further, in no event shall any reasonableness or similar standard applicable to Seller be altered or otherwise subject Seller to any heightened duty of care due to Seller's knowledge of any aspect of any inspection by Buyer, including but not limited to Seller's knowledge of Buyer's presence on the Property or of conditions on or of the Property.
- 3.2. Document Review. To facilitate Due Diligence, within five (5) business days after the Effective Date, to the extent Seller has not already delivered the same to Buyer, Seller shall deliver to Buyer true and complete copies of all studies, reports, surveys, inspections, analyses and other documentation in Seller's possession relating to the ownership, use, operation, condition, development, and entitlements of the Property; as well as a list of any Personal Property proposed by Seller for acquisition by Buyer, if any.
- 3.3. Title Review. To facilitate Due Diligence, within three (3) business days after the opening of Escrow, Seller shall order a Preliminary Title Report, with a copy thereof to be furnished to Buyer, from the Escrow Agent showing its willingness to issue an ALTA standard form owner's policy of title insurance on the Property in the amount of the Purchase Price, together with copies of all exceptions listed therein ("Title Report"). Buyer will have ten (10) business days after receipt of the Title Report within which to notify Seller in writing of any disapproval of the legal description of the Property shown in the Title Report or any of the exceptions shown in the Title Report. The following shall be deemed permitted exceptions ("Permitted Exceptions"): Zoning ordinances; building restrictions; restrictions relating to or arising out of any designation of the Property, or any part thereof, as a Historic Landmark or other historic resource by the City of Portland, Oregon; restrictions relating to or arising out of any listing of the Property, or any part thereof, on the National Register of Historic Places, United States National Historical Preservation Act of 1966 (as amended); existing deed restrictions; taxes, fees or assessments due and payable for the current tax year; reservations in federal patents and state deeds; any exceptions specifically identified in the Title Report of which Buyer does not disapprove in writing; and any exceptions specifically identified in the Title Report of which Buyer does object in writing, but Seller is unable or unwilling to cure and eliminate, and Buyer nevertheless elects to proceed with the

purchase and sale of the Property subject to such disapproved exceptions. Without the need for objection by Buyer, Seller shall, with respect to liens and encumbrances that can be satisfied and released by the payment of money, eliminate such exceptions to title on or before Closing. Seller will have five (5) business days after receipt of Buyer's disapproval of the legal description of the Property, if any, or any of the exceptions to title, within which to notify Buyer in writing of Seller's response. If Seller responds that it is unwilling or unable to cure and eliminate any disapproved exception or matter, Buyer may elect to terminate this Agreement by delivering written notice to Seller within ten (10) business days after receipt of Seller's response. If Buyer fails to give Seller notice of Buyer's election to terminate this Agreement as set forth herein, then such inaction shall be deemed to be Buyer's election to purchase the Property subject to the disapproved legal description of the Property or the exceptions which Seller is not willing or able to cure and eliminate. If Buyer terminates this Agreement pursuant to this paragraph, the Parties shall have no further obligations to or claims against each other under this Agreement, except: (a) Four Hundred Seventy-Five Thousand Dollars (\$475,000.00) of the Initial Earnest Money shall be returned to Buyer, and (b) for those rights, obligations, instructions, actions and claims that survive the termination of this Agreement prior to Closing.

4. Default; Remedies. Notwithstanding anything to the contrary contained in this Agreement, in the event Buyer fails to deposit Earnest Money (whether the Committed Earnest Money, the Initial Earnest Money, or the Additional Earnest Money) into Escrow strictly as and when contemplated under Section 1.4.1 of this Agreement, Seller shall have the right at any time thereafter, but prior to Buyer's deposit of any such Earnest Money into Escrow, to terminate this Agreement and all further rights and obligations of the Parties hereunder, except for those rights, obligations, instructions, actions and claims that survive the termination of this Agreement prior to Closing, by giving written notice thereof to Buyer. If the conditions, if any, to Buyer's obligation to consummate this transaction are satisfied or waived by Buyer and Buyer fails, through no fault of Seller, to Close on the purchase of the Property, Seller's sole remedy shall be the release of the Committed Earnest Money, the Initial Earnest Money, and the Additional Earnest Money to Seller. In the event Seller fails, through no fault of Buyer, to Close the sale of the Property (including, without limitation, any breach of Seller's Representations), Buyer shall be entitled to pursue any remedies available at law or in equity, including without limitation, refund of the Committed Earnest Money, the Initial Earnest Money, and the Additional Earnest Money to Buyer or the remedy of specific performance. In no event shall either Party be entitled to punitive or consequential damages, if any, resulting from the other Party's failure to Close the sale of the Property.

5. Closing.

- 5.1. Process. The purchase and sale of the Property shall be consummated in Escrow ("Closing") on a date to which the Parties mutually agree that is within fifteen (15) days after waiver or satisfaction of the Condition Precedent pursuant to Section 2 of this Agreement ("Closing Date"). The purchase and sale of the Property shall be deemed closed when the document(s) conveying title to the Property is/are delivered and recorded and the Purchase Price is disbursed to Seller ("Closed").

- 5.2. Closing Obligations. At Closing:

- 5.2.1. Buyer and Seller shall deposit with the Escrow Holder all documents and funds required to Close the transaction in accordance with the terms of this Agreement.
- 5.2.2. Seller shall deliver a certification in a form provided by the Escrow Holder confirming whether Seller is or is not a "foreign person" as such term is defined by applicable law and regulations.
- 5.2.3. Seller shall convey fee simple title to the Property to Buyer by Statutory Bargain and Sale Deed, conveying the Property to Buyer, free and clear of all liens and encumbrances except the Permitted Exceptions.

- 5.2.4. Seller shall convey the personal property owned by Seller in connection with the operation of the Property pursuant to a bill of sale in the form attached as Exhibit C.
- 5.2.5. Seller shall cause the Title Company to deliver to Buyer an ALTA standard form owner's policy of title insurance ("Title Policy") in the amount of the Purchase Price insuring fee simple title to the Property in Buyer subject only to the Permitted Exceptions and the standard preprinted exceptions contained in the Title Policy. Seller shall reasonably cooperate in the issuance to Buyer of an ALTA extended form owner's policy of title insurance. Buyer shall pay any additional expense resulting from the ALTA extended coverage and any endorsements required by Buyer.
- 5.3. Closing Costs; Prorations. Seller shall pay the premium for the Title Policy, provided, however, if Buyer elects to obtain an ALTA extended form owner's policy of title insurance and/or any endorsements, Buyer shall pay the difference in the premium relating to such election. Seller and Buyer shall each pay one-half (1/2) of the Escrow fees charged by the Escrow Holder. Any excise tax and/or transfer tax shall be paid in accordance with the local custom determined by the Title Company and applicable law. Real property taxes for the tax year of the Closing, assessments (if a Permitted Exception), personal property taxes, interest on assumed obligations, and utilities shall be prorated as of the Closing Date. Buyer shall be responsible for payment of all recording fees and of all taxes, interest, and penalties, if any, upon removal of the Property from any special assessment or program.
- 5.4. Possession. Seller shall deliver exclusive possession of the Property to Buyer at Closing, subject to Seller's rights to possession of the Property under the Lease.
6. Seller's Representations and Covenants. Seller represents, warrants and covenants to Buyer as follows ("Seller's Representations"), which Seller's Representations survive the Closing Date for a period of one (1) year:
- 6.1. Seller knows of no written notice of any liens or assessments to be levied against the Property.
- 6.2. Seller knows of no written notice from any governmental agency of any violation of any statute, law, ordinance, or of any deed restriction, rule, or regulation with respect to the Property.
- 6.3. Seller is not a "foreign person" as that term is defined in IRC § 1445. At Closing, Seller will execute and deliver to Purchaser a certification of non-foreign status on a form required by the IRS.
- 6.4. Other than as set forth herein, Seller and Seller's agents have made no representations, warranties, or other agreements concerning matters relating to the Property. Seller and Seller's agents have made no agreement or promise to alter, repair, or improve the Property.
- 6.5. Seller has full and complete authority to enter into this Agreement and convey the Property in accordance with the terms hereof.
- 6.6. To Seller's knowledge, there is no condemnation, environmental, zoning, or similar proceeding existing or planned which could detrimentally affect the use, development, operation, or value of the Property that is undisclosed to Purchaser.
- 6.7. Seller has no knowledge of any actual or threatened claims under any insurance policy covering the Property or of any other actual or threatened third party claim against the Property.
- 6.8. Seller shall maintain the Property prior to Closing consistent with Seller's current operating practices, and shall have done nothing to damage the reputation or suitability of the Property. Seller shall cause any existing or future leasehold interest in the Property and any service contracts or other agreements affecting the



Property to terminate and vacate prior to Closing; provided, however, if Buyer notifies Seller in writing that Buyer does not want a particular service contract terminated, Seller shall not terminate such service contract.

- 6.9. Seller has not entered into (and will not enter into) any agreements with any third party granting any such third party the right to purchase the Property.
- 6.10. Seller agrees to notify Buyer promptly if Seller receives actual notice, prior to Closing, of any event or condition that would result in making any previously disclosed material information relating to the Property substantially misleading or incorrect. Upon receipt of such notice, Buyer, in its absolute discretion, may terminate this Agreement by written notice to Seller, in which event the Committed Earnest Money, the Initial Earnest Money, and the Additional Earnest Money shall be refunded to Buyer and, upon such termination, the Parties shall have no further obligations to or claims against each other under this Agreement, except for those rights, obligations, instructions, actions and claims that survive the termination of this Agreement prior to Closing.
- 6.11. Seller's Representations are true and correct in all material respects as of the Effective Date and shall be continue to be materially true and correct thereafter and through the Closing Date, except as necessarily revised by any further disclosure or notification Seller is obligated to make under this Agreement after the Effective Date and on or prior to Closing.
7. AS-IS Purchase and Sale. Except for Seller's Representations, Buyer shall rely on the results of its own inspection, investigation, and other Due Diligence in Buyer's purchase and acquisition of the Property, and not on any statements or representations from the Seller or any person acting on behalf of the Seller, except for Seller's Representations, and, accordingly, Buyer shall acquire the Property in the condition existing at the time of Closing, "AS IS," "WHERE IS," AND "WITH ALL FAULTS."
8. Personal Property.
- 8.1. As part of the purchase and sale of the Property, Seller shall convey the personal property, if any, set forth in a list of such property delivered to Buyer as part of Seller's documents under Section 3.2 of this Agreement ("Personal Property") and accepted for acquisition under this Agreement by Buyer prior to the close of the time period allowed for Due Diligence. Seller represents that Seller is the owner of the Personal Property and is free and clear to convey such property to Buyer. Seller shall convey the Personal Property, if any, to Buyer by executing and delivering to Buyer at Closing through Escrow a Bill of Sale substantially in the form of Exhibit C attached hereto ("Bill of Sale"). A list of such Personal Property accepted for acquisition by Buyer shall be attached to the Bill of Sale.
- 8.2. Notwithstanding any other provision of this Agreement, the Property does not include any of the following Seller's personal property, whether or not any such items are affixed to the Improvements, to the extent such property is removed, or caused or allowed to be removed, by Seller prior to termination of the Lease: photographs (together with any framing thereof); plaques; works of art; and Seller's Fixtures. Any such property described in this Section 8.2, or portion thereof, not so removed shall be deemed part of the Property and not the personal property of Seller under this Agreement nor of Tenant under the Lease. As used in this Agreement, the term "Seller's Fixtures" means machinery, equipment, and other goods used in particular support of performance of Seller's trade, such as shelving, cabinets, and health monitoring equipment. The term "Seller's Fixtures" does not include ordinary fixtures common to commercial property such as doors, windows, railings, light fixtures, light switches and covers, or trim; and does not include any structural component of the Property, any component of any building system, or any fixture the removal of which would compromise in material respect any structural component or component of any building system.
9. Risk of Loss. Unless caused by Buyer, Seller shall bear all risk of loss and damage to the Property until Closing, and Buyer shall bear such risk at and after Closing. If any casualty or condemnation occurs with respect to the

Property prior to Closing, Seller shall promptly notify Buyer and Buyer shall have ten (10) days after receipt of such notice to elect to terminate this Agreement or proceed to Closing and if Buyer terminates this Agreement, the entire Earnest Money shall be returned to Buyer. If Buyer elects to proceed to Closing, the Purchase Price shall not be reduced but: (i) with respect to a casualty: (a) all insurance proceeds shall be assigned to Buyer, net of collection costs and costs of repair reasonably incurred by Seller, and (b) Buyer shall receive a credit against the Purchase Price in the amount of any deductible and in the amount of any uninsured damage, and (ii) with respect to a condemnation, all condemnation proceeds shall be assigned to Buyer, net of collection costs and costs of repair reasonably incurred by Seller.

10. Buyer's Representations. Buyer represents and warrants to Seller as follows ("Buyer's Representations"):

10.1. Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated herein.

10.2. The person(s) executing this Agreement and the instruments referred to herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement.

10.3. This Agreement and all documents required by it to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

10.4. This Agreement does not breach or violate any term or provision of any other agreement or contract to which Buyer is a party.

10.5. The Federal Government, Executive Order 13224, requires that business persons of the United States not do business with any individual or entity on a list of "Specially Designated nationals and Blocked Persons" - that is, individuals and entities identified as terrorists or other types of criminals. Buyer hereinafter certifies that:

10.5.1. It is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, specially designated national and/or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and

10.5.2. It has not executed this Agreement, directly or indirectly on behalf of, or instigating or facilitating this Agreement, directly or indirectly on behalf of, any such person, group, entity, or nation.

10.5.3. Buyer hereby agrees to defend, indemnify, and hold harmless Seller from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the certification set forth in this Section 10.5. This certification by Buyer and agreement to indemnify, hold harmless, and defend Seller shall survive Closing or any termination of this Agreement

10.6. Buyer's Representations are materially true and correct as of the Effective Date and shall be continue to be materially true and correct thereafter and through the Closing Date, except as necessarily revised by any material change therein, which Buyer hereby agrees to promptly communicate to Seller, after the Effective Date and on or prior to Closing.

11. Assignment. Except as provided in this Section 11, Assignment of this Agreement is permitted only upon Seller's written consent (not to be unreasonably withheld, conditioned or delayed) and Buyer acknowledges that the question of consent to assignment may be presented to Seller's Board. Buyer may assign this Agreement without the need for any further consent by Seller or Seller's Board to a new entity owned by Buyer, or in which principals

of Buyer have an ownership interest and day-to-day management responsibility for the entity, and organized for the single-purpose of developing and/or renovating the Property.

12. Successors. This Agreement shall be binding on the heirs, successors, assigns and personal representatives of the Parties hereto.

13. Broker Fees.

13.1. Commission Agreement. Buyer represents and warrants to Seller that Buyer has not dealt with any broker, agent, or finder for the Property. Buyer understands and Seller represents and warrants that Seller is represented in this transaction by Graham Taylor and Charles Safley, Brokers with CBRE Portland, 1300 SW Fifth Avenue, Suite 3000, Portland, OR 97201 (the "Selling Broker"), and that Seller will instruct the Escrow Agent to deduct Selling Broker's fee from the Purchase Price at Closing and disburse the same to the Selling Broker in accordance with a separate fee agreement.

13.2. Indemnity. Each Party agrees to indemnify, defend and hold harmless the other Party and its officers, directors, agents and employees from and against any and all liens, claims, actions, damages, judgments, liabilities, costs, and expenses (including reasonable attorneys' fees and experts' fees) caused by, arising out of, relating to, or in connection with any claims or demands of any broker, agent, or finder, other than those identified in this Section 13, with whom the indemnifying Party has dealt for any commission or fee alleged to be due in connection with its participation in the purchase or sale of the Property.

14. Litigation; Waiver of Jury Trial; Costs and Expenses.

14.1. Each and every claim, demand, action or other form of proceeding of any kind (including but not limited to any appeal, petition for review, or bankruptcy proceeding) instituted in connection with any controversy arising out of this Agreement ("Claim") shall be brought and conducted SOLELY AND EXCLUSIVELY BY BENCH TRIAL within the Circuit Court of Multnomah County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively by bench trial within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by either Party of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court.

14.2. BY EXECUTION OF THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY LAW:

14.2.1. SELLER AND BUYER EACH CONSENT TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION 14; AND

14.2.2. SELLER AND BUYER EACH WAIVE RIGHT TO TRIAL BY JURY.

14.3. Except as otherwise stated in this Agreement, with respect to any Claim, each Party shall bear its own costs and expenses, including but not limited to attorney and expert fees.

15. Confidentiality and Non-Disclosure. Seller and Buyer agree that they shall not disclose the existence, substance, terms or provisions of their continuing discussions concerning the Property, including, but not limited to, the contents of this Agreement (collectively, the "Negotiations"), to any other person or entity without the other Party's prior, written consent, except: (a) as may be required by law; or (b) to those persons or entities acting in a fiduciary capacity (e.g., legal representatives, financial institutions, authorized agents, and management employees), who shall be entitled to the knowledge of the Negotiations for the mutual benefit of Seller and Purchaser. Any such fiduciary who is informed of or otherwise gains knowledge of the Negotiations shall be obligated to comply with its principal's (Seller's or Buyer's, as the case may be) duty of confidentiality under this confidentiality provision of the

Agreement. Each Party shall inform its fiduciaries of their obligation to maintain the Negotiations in strict confidence.

15.1. Buyer acknowledges that Seller is a public entity required to conduct its business at public hearing and, accordingly, hereby consents to public disclosure of this Agreement for purposes of Seller's Board's review and consideration of approval of this Agreement.

16. Seller's Board Approval. This Agreement, although accepted and executed by an authorized Seller representative, is not binding on the Seller until and unless the Multnomah County Board of Commissioners ("Board") approves this Agreement, upon such terms and conditions as the Board may impose. In the event the Board vote on the matter of approving this Agreement fails to result in approval of this Agreement on or before November 8, 2018, then this Agreement shall terminate and the Committed Earnest Money and the Initial Earnest Money shall be refunded to Buyer.
17. Notices. All notices and communications in connection with this Agreement shall be given in writing and shall be transmitted by certified or registered mail, return receipt requested, to the appropriate Party at the address set forth in this Section. Any notice so transmitted shall be deemed effective on the day following the date such notice is placed in the United States mail, postage prepaid. Either Party, by written notice, may designate a different address for purposes of this Agreement. If Buyer and Seller both agree, notices and communications in connection with this Agreement may be given via email or facsimile transmission or by commercial courier, in which case such notice shall be deemed effective on the day following the date of sending such email or facsimile transmission or of deposit with the commercial carrier, or by personal delivery in which case such notice shall be deemed effective at the date and time of receipt by the non-delivering Party.
  - 17.1. Seller's Address. Multnomah County, Facilities & Property Management, ATTN: Scott Churchill, 501 N. Dixon St., Portland, OR 97227.
  - 17.2. Buyer's Address. Urban Renaissance Group LLC, ATTN: Tom Kilbane, 720 SW Washington St, Suite 640, Portland, OR 97205.
18. Additional Access. After Waiver and Satisfaction and continuing until the Closing Date, Buyer may, at its sole cost and expense and risk, enter the Property in not more than five instances for the purpose of conducting any and all inspections reasonably related to Buyer's intended use of the Property or otherwise reasonably related to the purchase of the Property in the same manner and subject to the same terms as set forth in Section 3.1 of this Agreement including but not limited to the Buyer indemnity obligations therein and the survival of such obligations after Closing or any termination of this Agreement ("Additional Instance of Entry"). Nothing in this Section shall be deemed to be a part of or in any way relate to Due Diligence or any provision in this Agreement relating to the Condition Precedent.
19. Entire Agreement; Modification. This Agreement sets forth the entire understanding of the Parties with respect to the purchase and sale of the Property. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the Parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by written agreement executed by both Parties.
20. Governing Law. This Agreement shall be construed, applied, and enforced in accordance with the laws of the State of Oregon, without reference to the choice-of-law provisions of Oregon law. Regarding matters of law concerning the internal corporate affairs of any corporate entity which is a Party to or the subject of this Agreement, and as to those matters, the law of the jurisdiction under which such entity derives its powers shall govern.
21. Captions. The titles to the Sections and Subsections of this Agreement are descriptive only and are not intended to change or influence the meaning of any Section or Subsection or to be part of this Agreement.

22. Nonwaiver. Failure by either Party to enforce strictly or promptly any provision under this Agreement shall not constitute a waiver of the same and such provision may be asserted at any time after said Party becomes entitled to the benefit thereof notwithstanding delay in enforcement.
23. Timing. "Days" shall mean calendar days unless expressly stated as business days, which shall mean any day Monday – Friday. If the deadline under this Agreement for delivery of a notice or performance of any obligation is a Saturday, Sunday, or federal or Oregon State legal holiday, such deadline will be deemed extended to the next following business day.
24. Time of Essence. Time is strictly of the essence of each and every provision of this Agreement.
25. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of that term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
26. Neutral Construction. This Agreement will be construed with equal weight for the rights of both Parties, the terms and conditions of this Agreement having been determined by fair negotiation with due consideration of the rights and requirements of both Parties, and any ambiguities in any provision of this Agreement shall not be construed for or against either party on the basis that such party did or did not author same.
27. Cross-References. Unless otherwise provided, any reference to a Section of this Agreement shall include all subsections therein.
28. Counterparts; Facsimile Signatures. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. This Agreement may be executed by electronic, digital, or facsimile signature and any such signature shall be considered to have the same binding legal effect as a hand-written or wet-ink signature.
29. Cautionary Notice About Liens. UNDER CERTAIN CIRCUMSTANCES, A PERSON WHO PERFORMS CONSTRUCTION-RELATED ACTIVITIES MAY CLAIM A LIEN UPON REAL PROPERTY AFTER A SALE TO THE PURCHASER FOR A TRANSACTION OR ACTIVITY THAT OCCURRED BEFORE THE SALE. A VALID CLAIM MAY BE ASSERTED AGAINST THE PROPERTY THAT YOU ARE PURCHASING EVEN IF THE CIRCUMSTANCES THAT GIVE RISE TO THAT CLAIM HAPPENED BEFORE YOUR PURCHASE OF THE PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED TO, CIRCUMSTANCES WHERE THE OWNER OF THE PROPERTY CONTRACTED WITH A PERSON OR BUSINESS TO PROVIDE LABOR, MATERIAL, EQUIPMENT OR SERVICES TO THE PROPERTY AND HAS NOT PAID THE PERSONS OR BUSINESS IN FULL.
30. Statutory Disclaimer. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES

AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the last date of signature indicated below.

**SELLER:**

**MULTNOMAH COUNTY,  
an Oregon political subdivision**

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

Date: \_\_\_\_\_

**BUYER:**

**Urban Renaissance Group LLC, a Washington  
limited liability company**

By: \_\_\_\_\_  
[Printed Name / Title]

Date: \_\_\_\_\_

**REVIEWED:**

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

By: \_\_\_\_\_  
Jed Tomkins, Asst. County Attorney

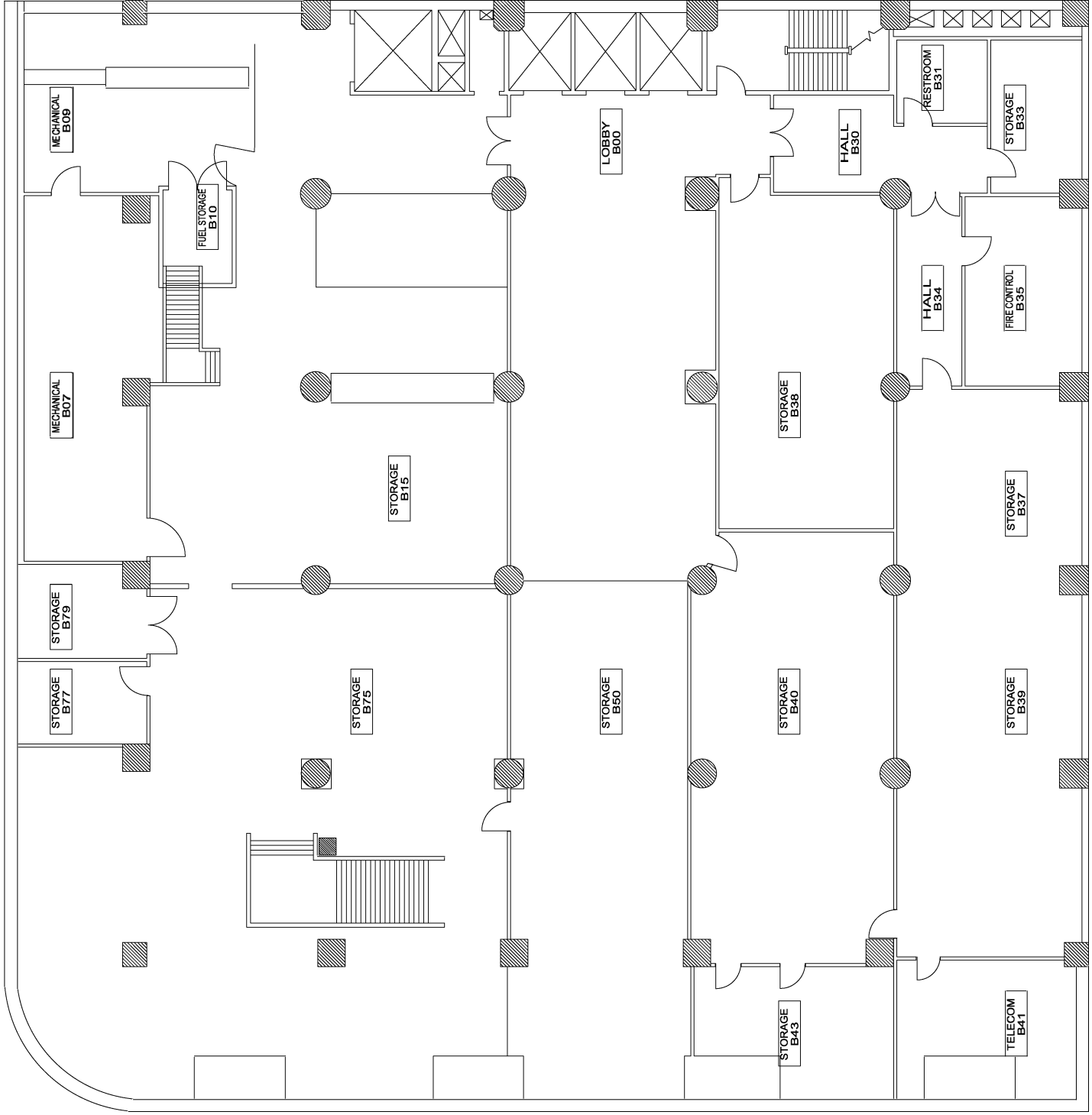
EXHIBIT A

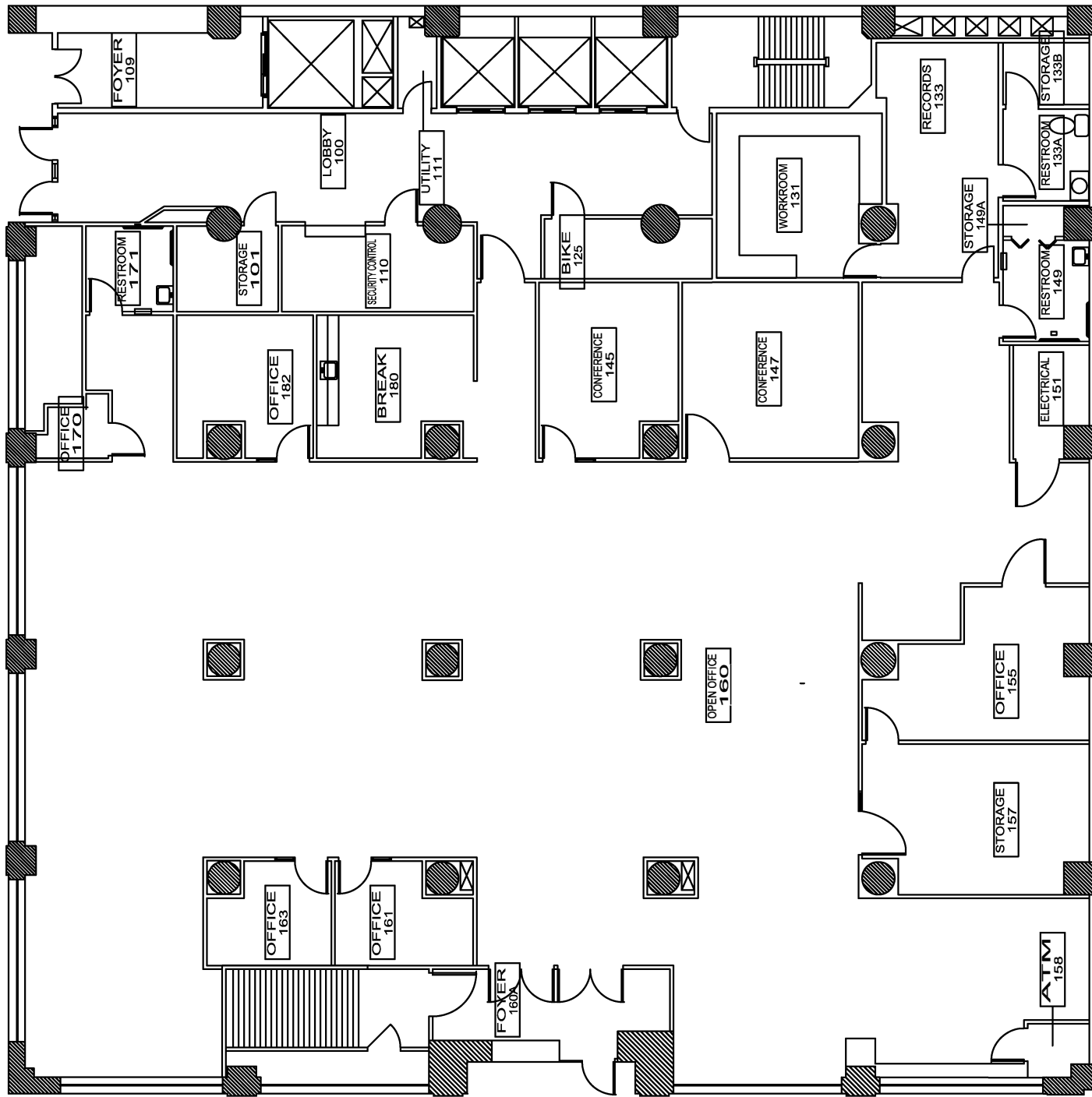
LEGAL DESCRIPTION OF PROPERTY

Lots 7 and 8, Block 64, CITY OF PORTLAND, County of Multnomah and State of Oregon.

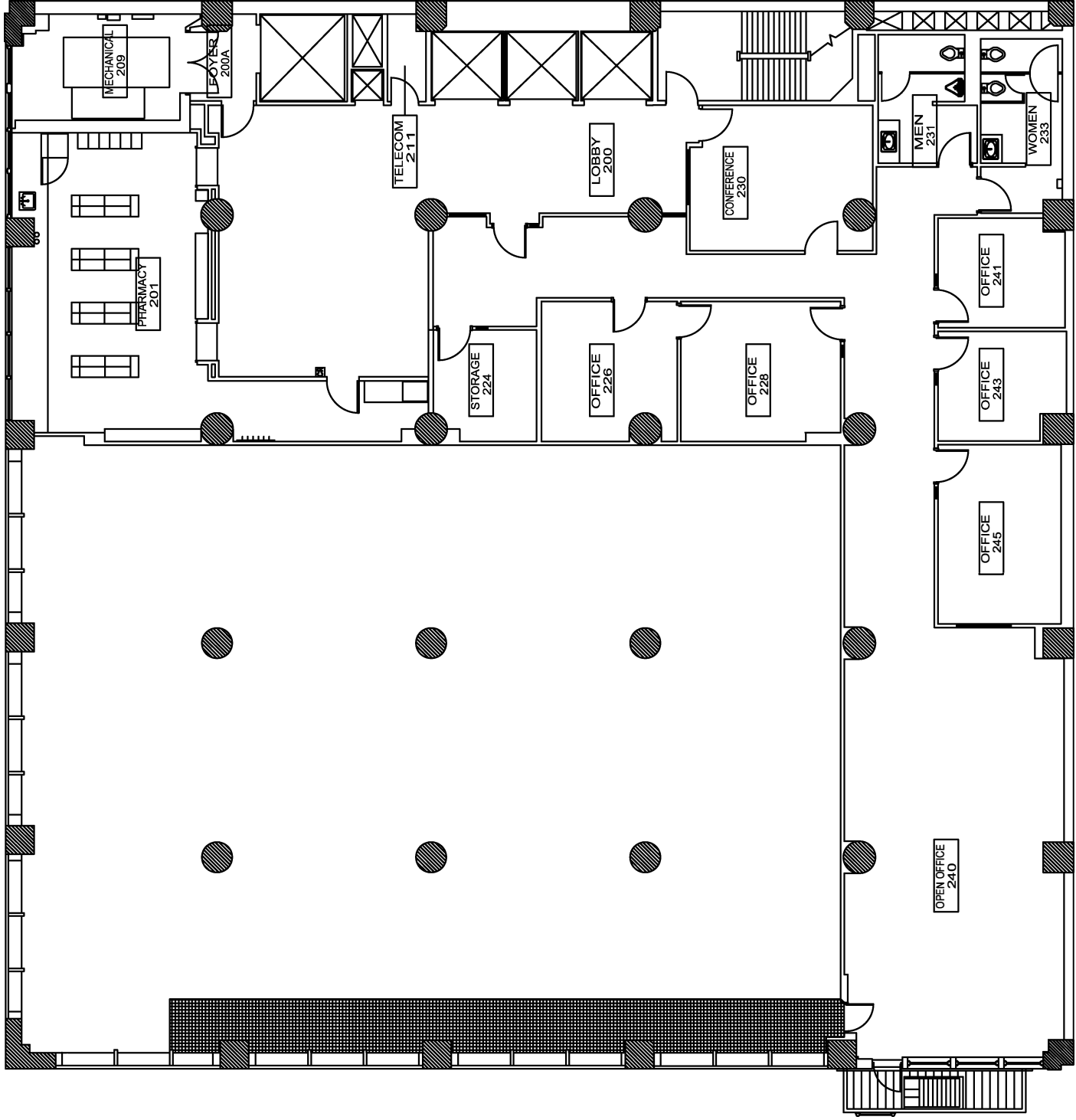
EXHIBIT B  
FLOOR PLANS





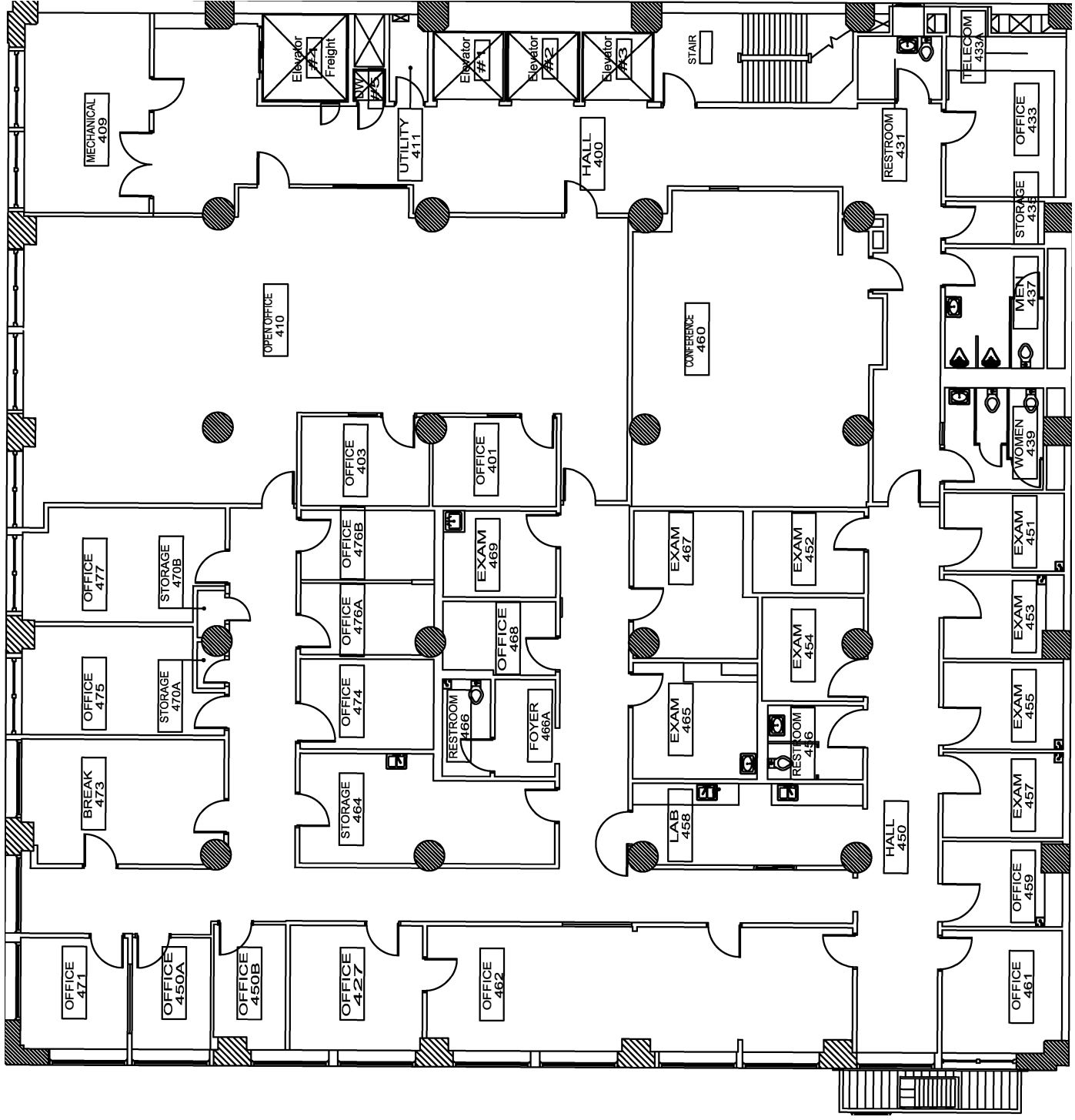


160 - Gladys McCoy Building  
FIRST FLOOR - BASE

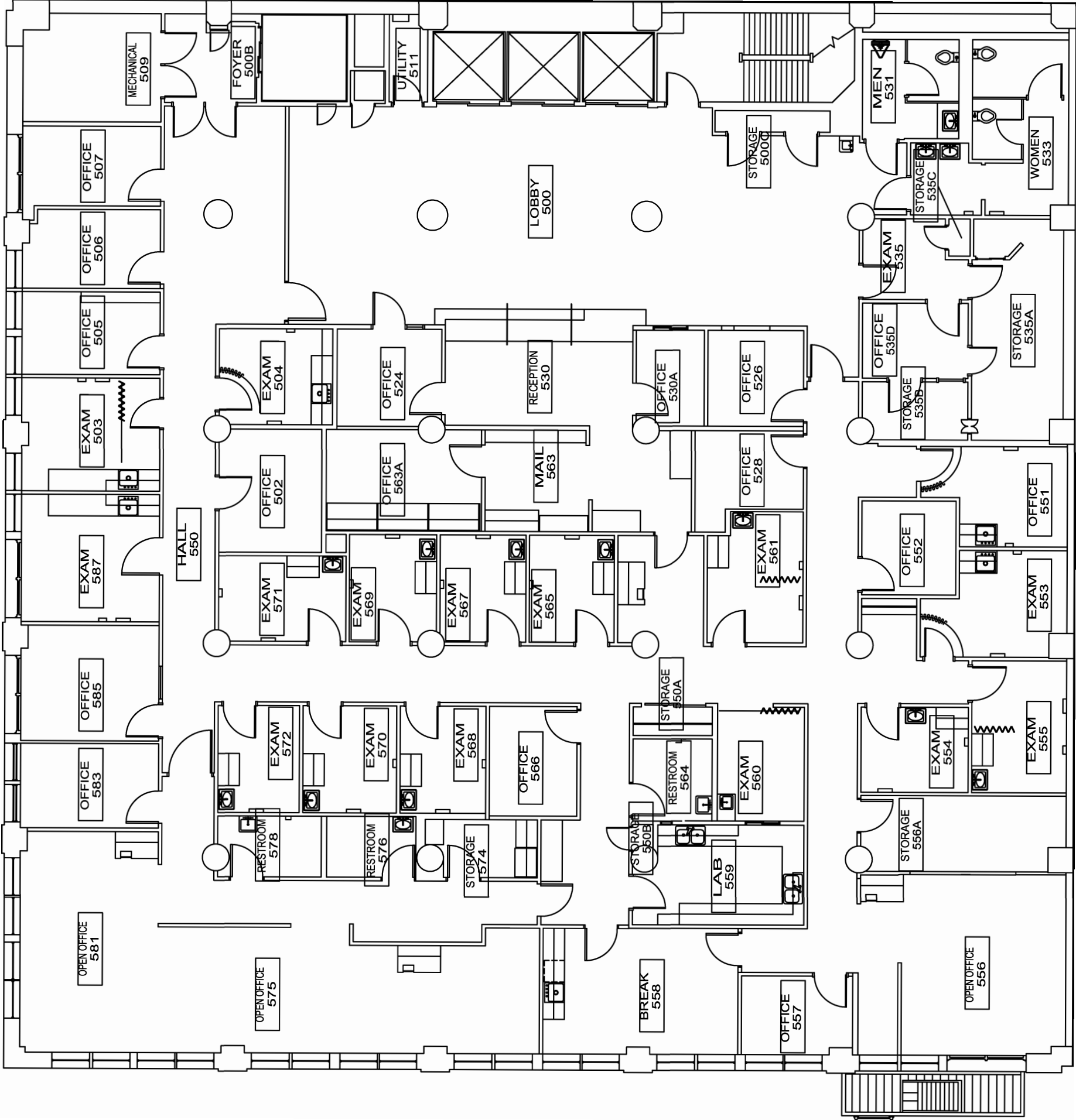




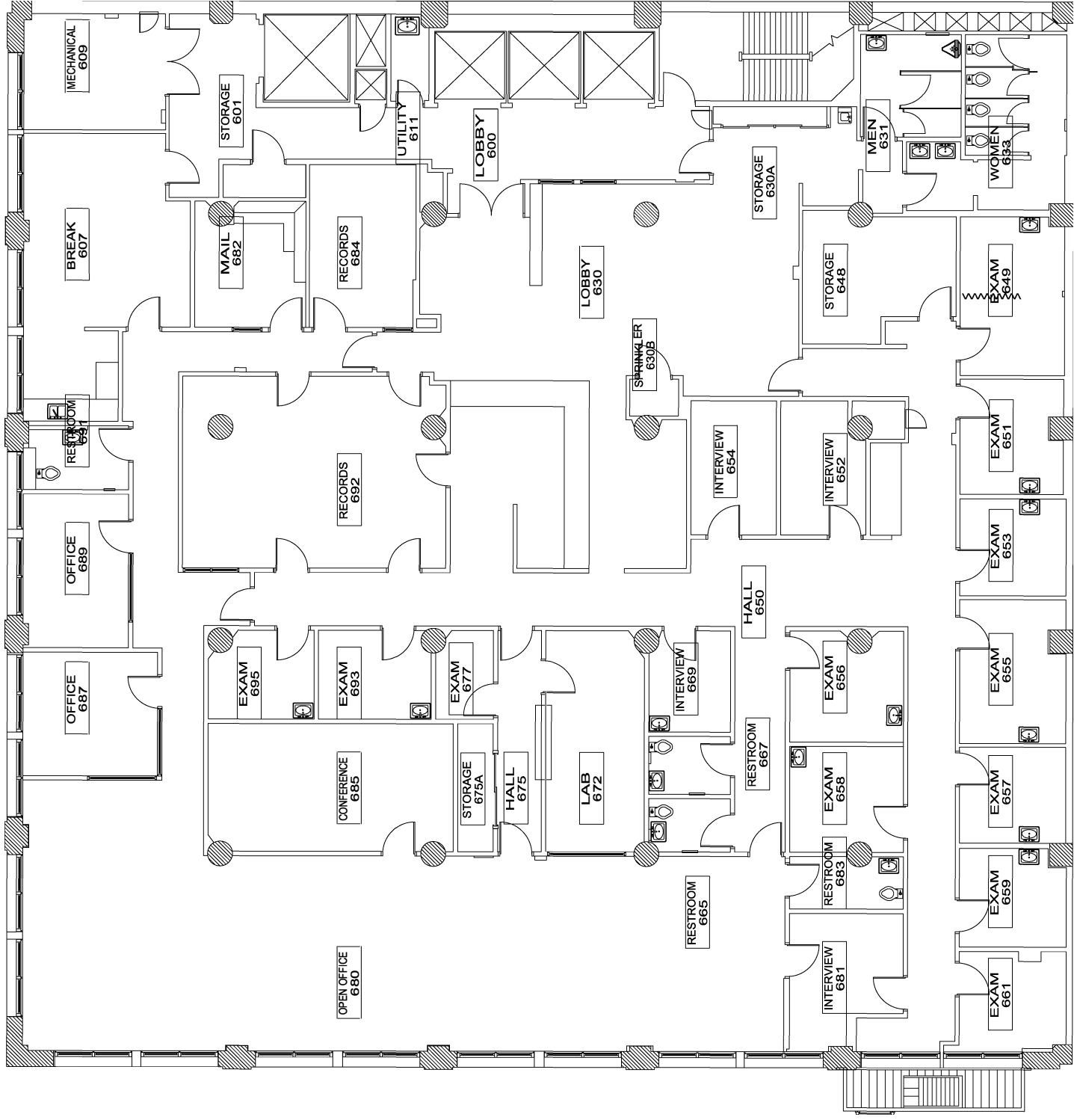
160 - Gladys McCoy Building  
THIRD FLOOR - BASE



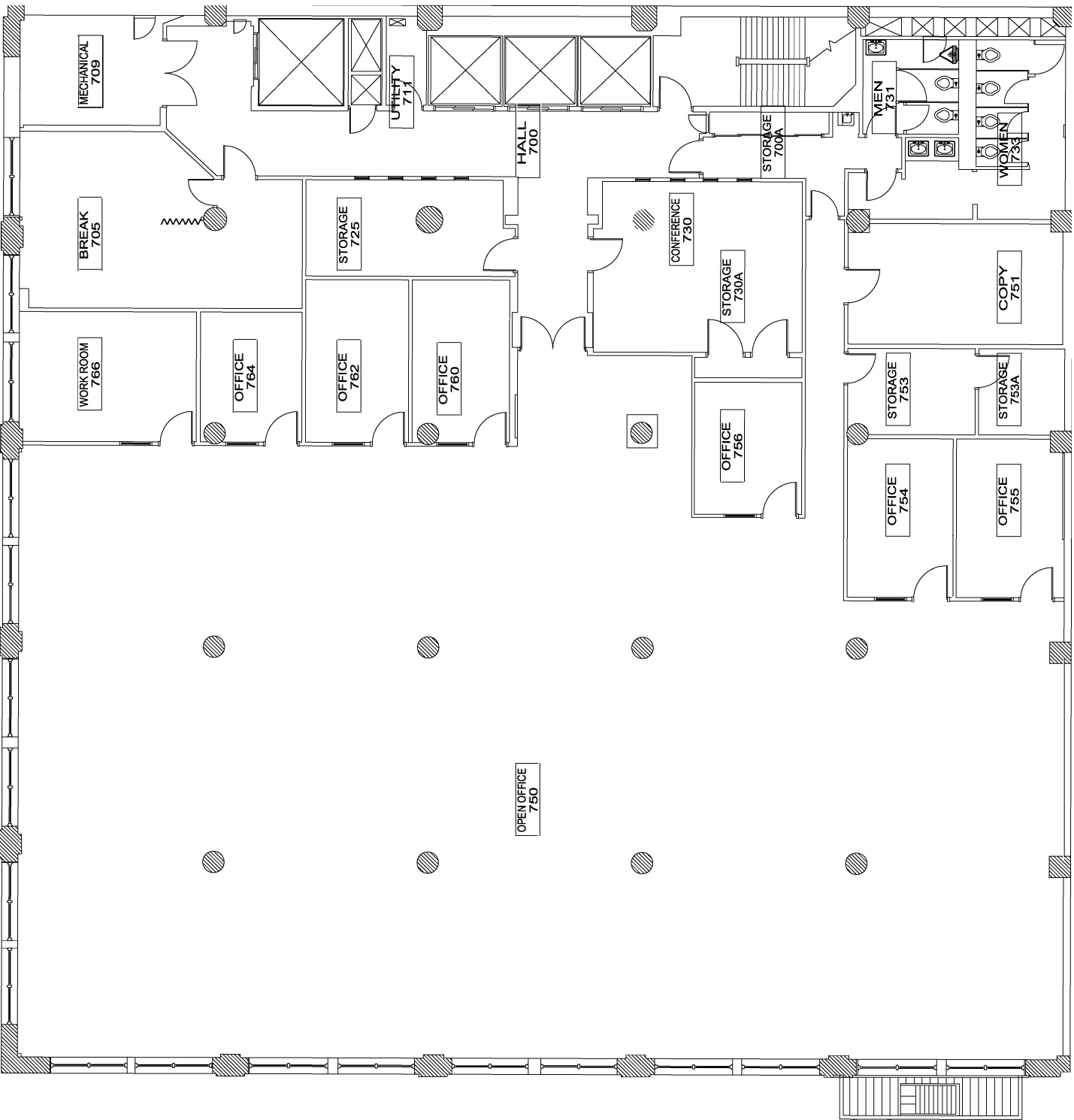
160 - Gladys's McCoy Building  
FOURTH FLOOR - BASE



160 - Gladys McCoy Building  
FIFTH FLOOR - BASE



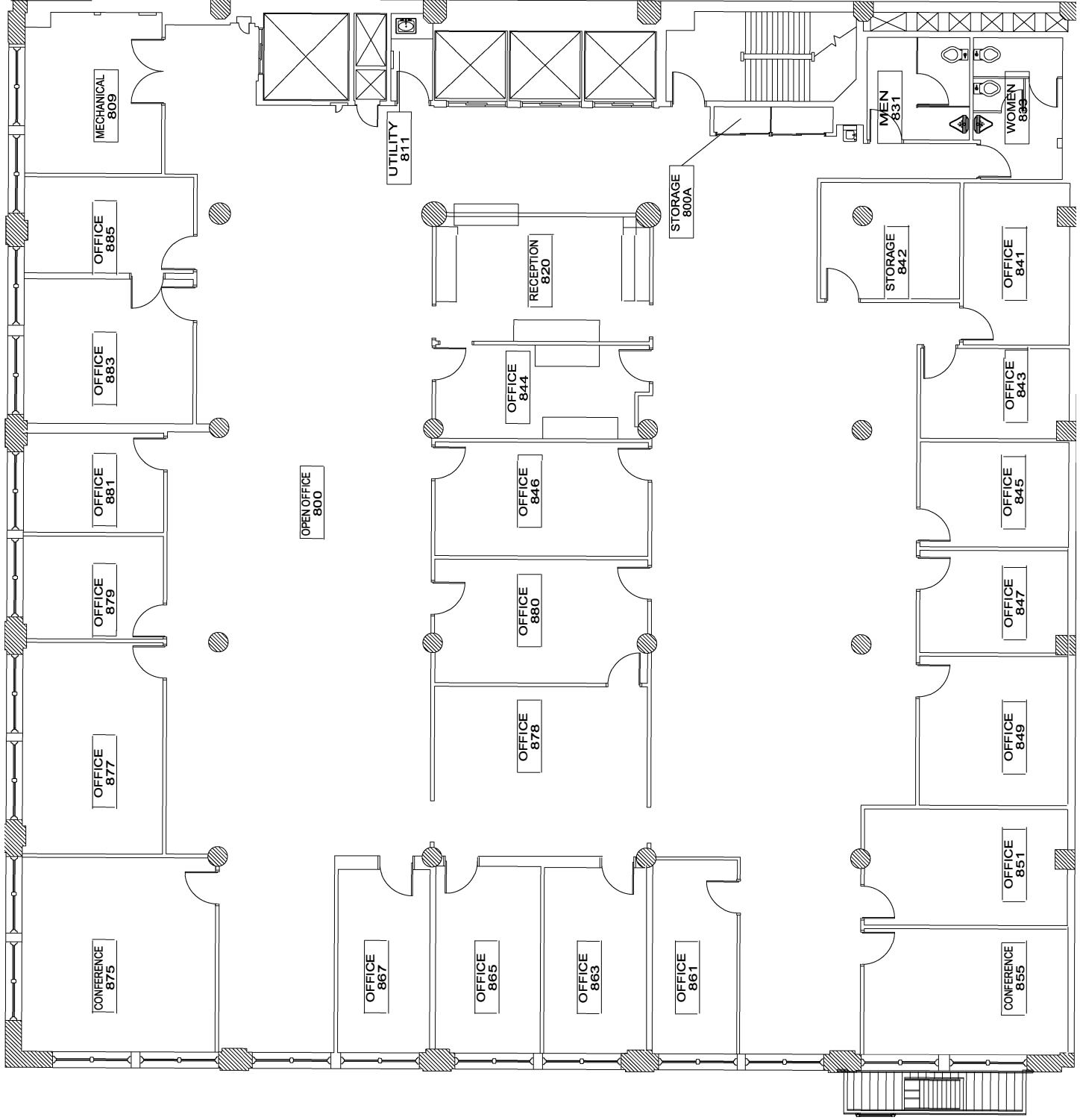
160 - Gladys McCoy Building  
SIXTH FLOOR - BASE

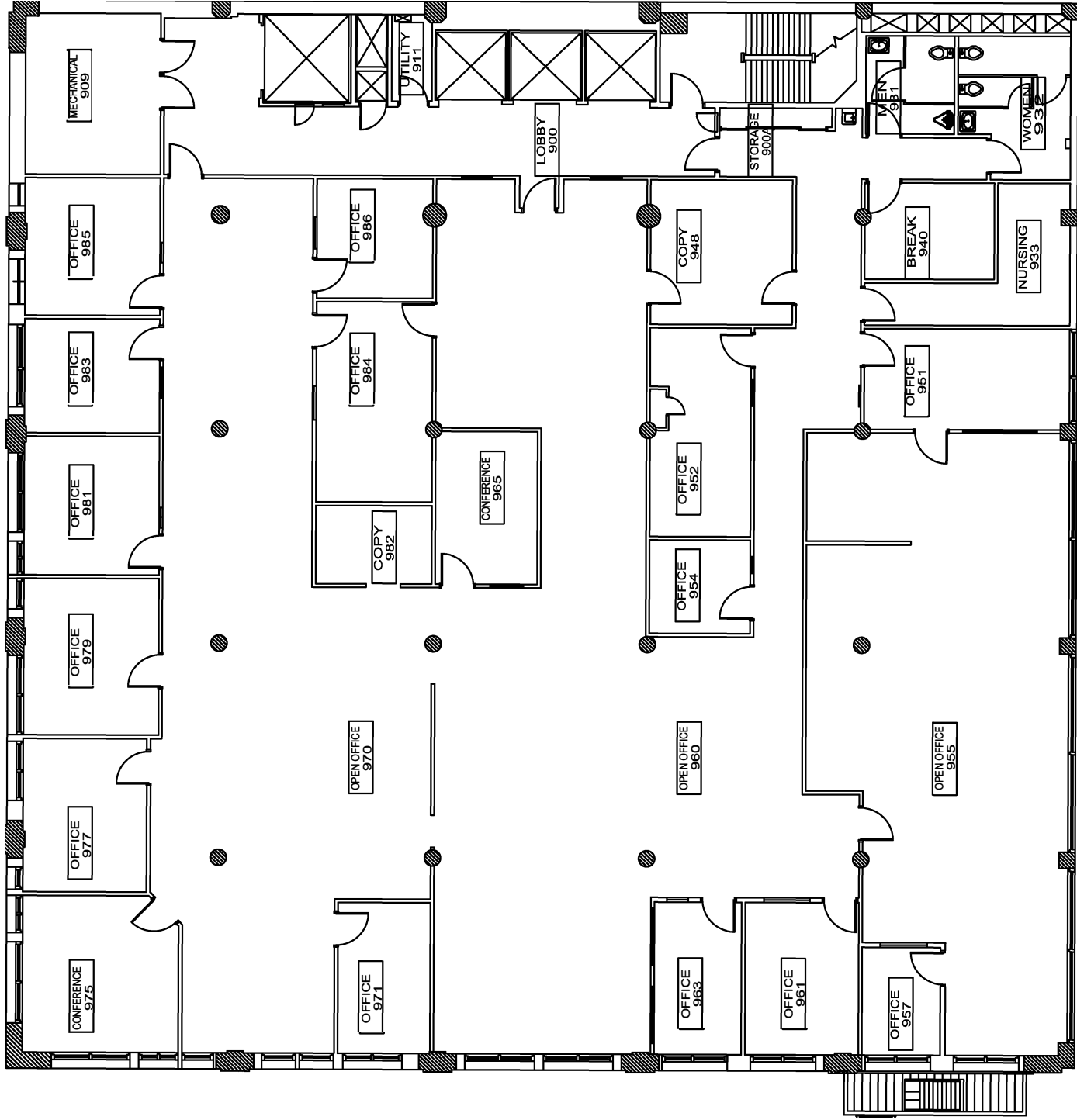


160 - Gladys McCoy Building  
SEVENTH FLOOR - BASE

Exhibit B-8

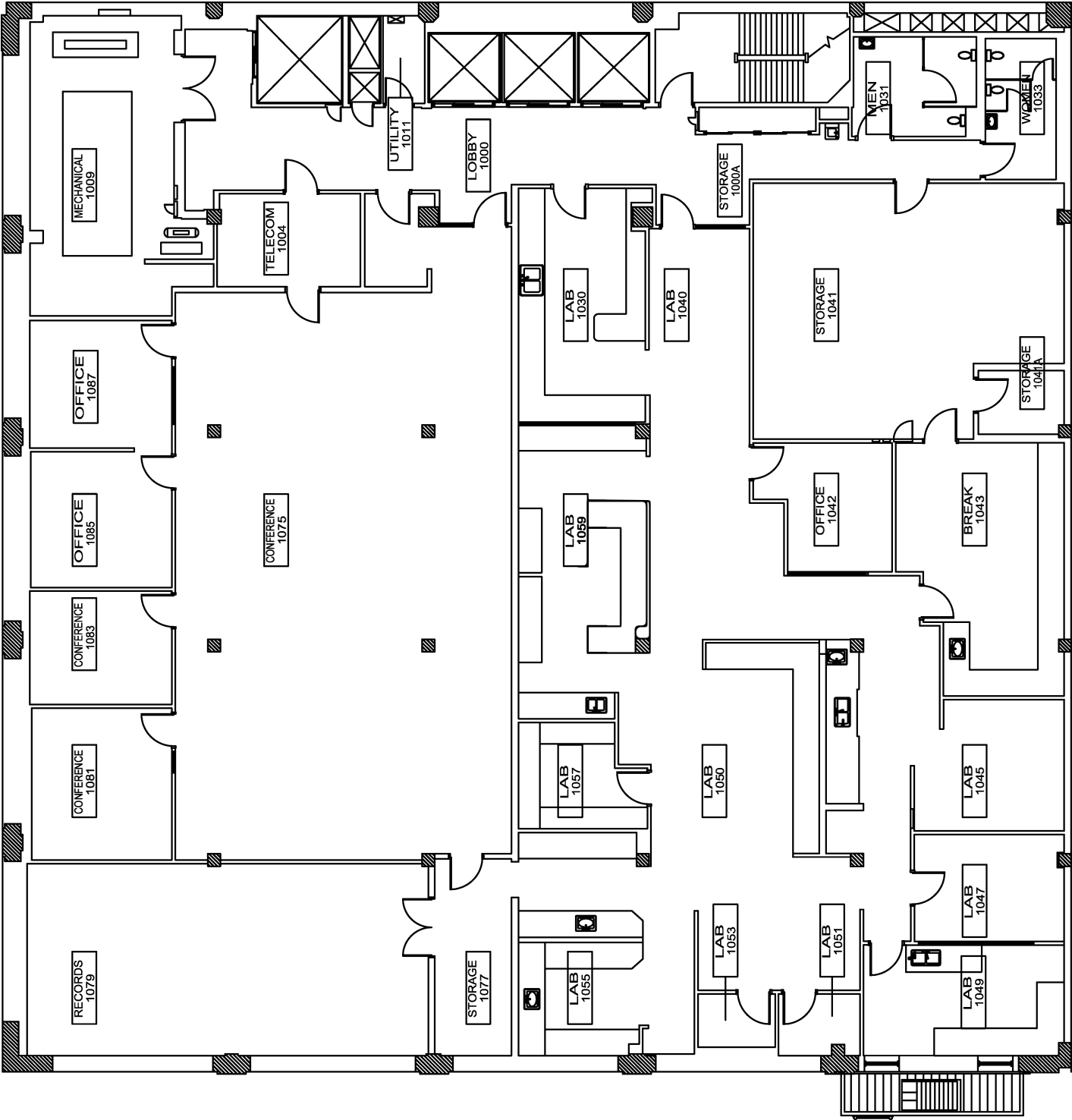






160 - Gladys McCoy Building  
NINTH FLOOR - BASE

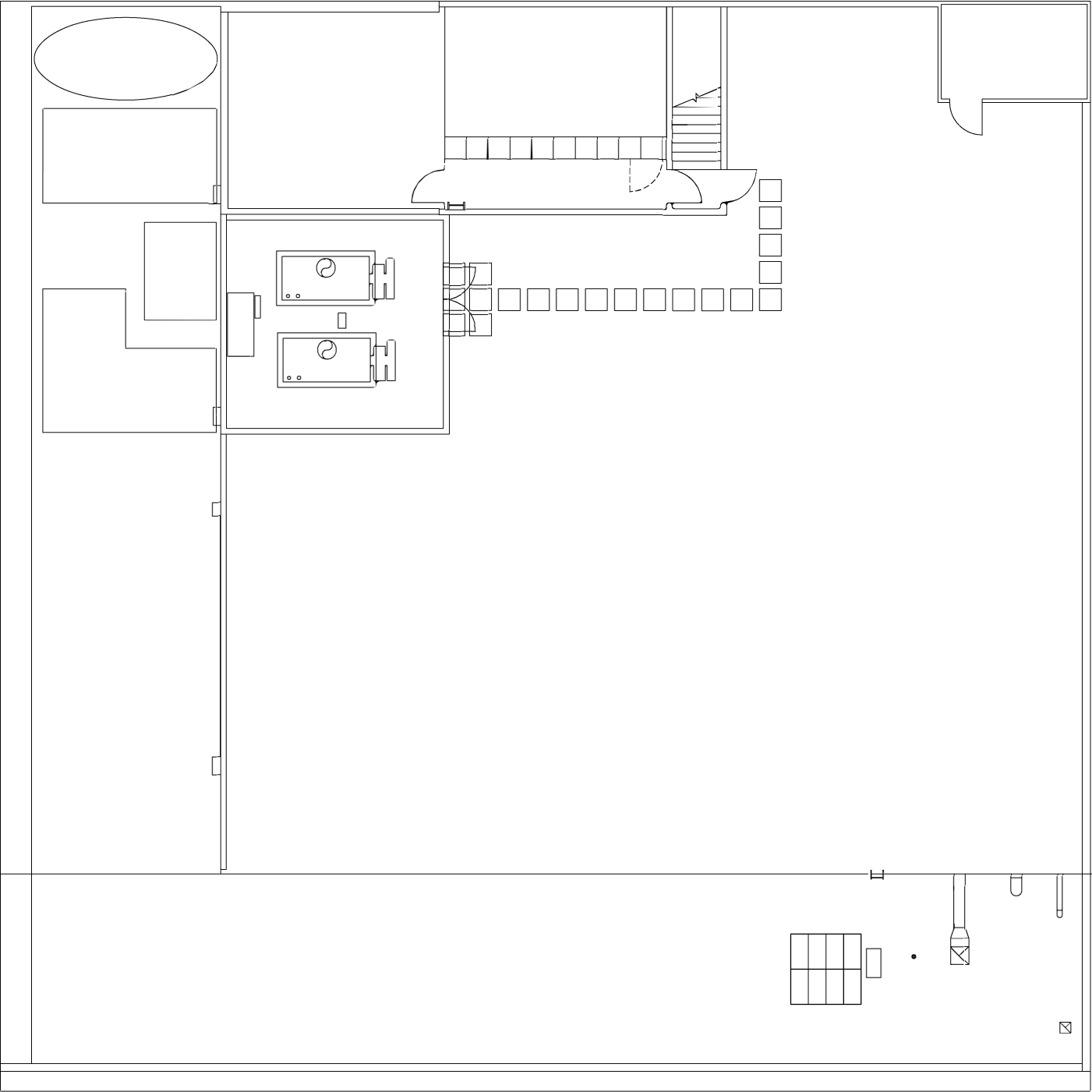




160 - Gladys McCoy Building  
TENTH FLOOR - BASE

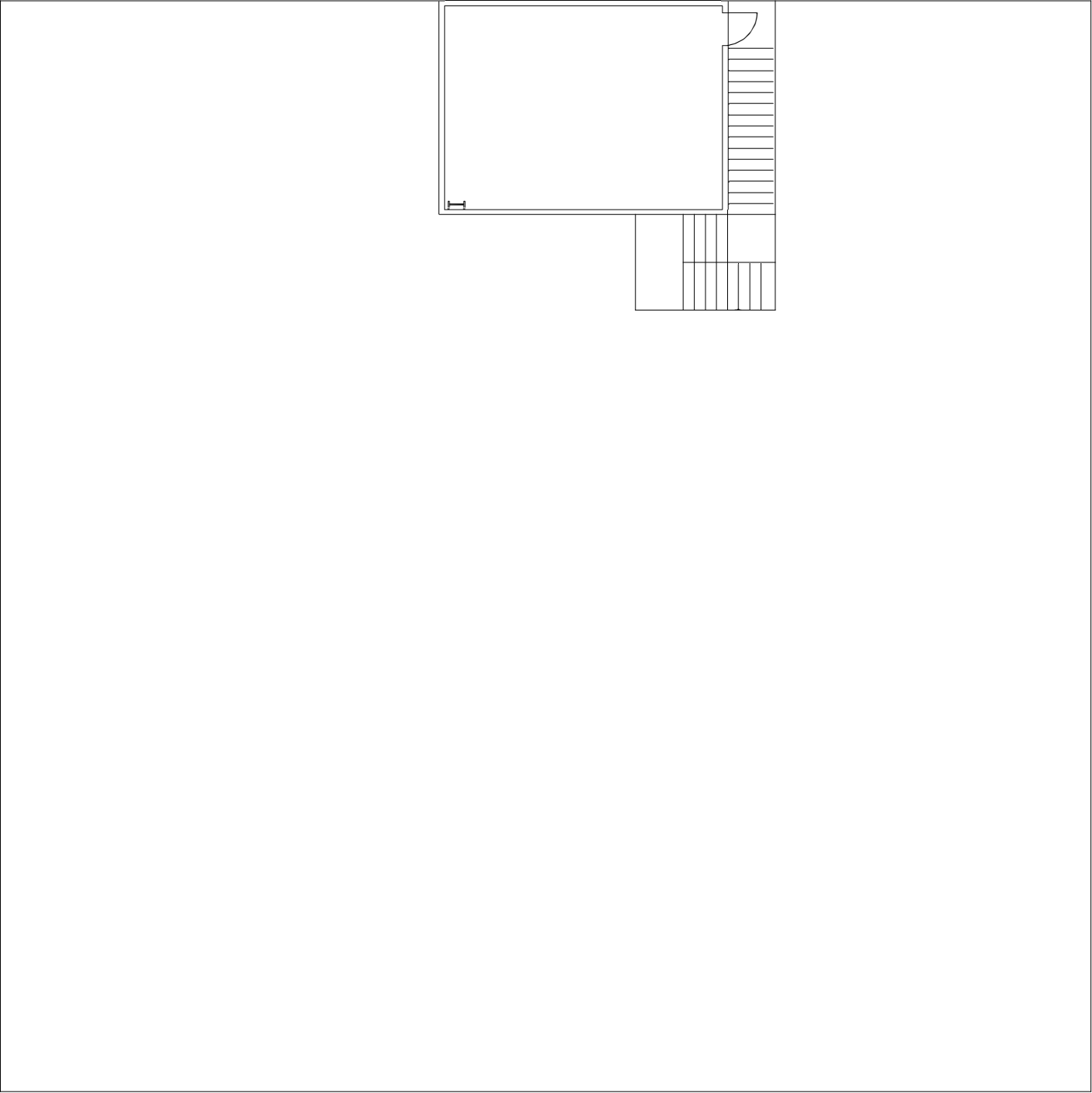


Exhibit B-11



160 - Gladys McCoy Building  
ROOF PLAN - BASE





160 - Gladys McCoy Building  
UPPER ROOF PLAN - BASE



EXHIBIT C

BILL OF SALE

MULTNOMAH COUNTY, an Oregon political subdivision ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby bargain, transfer, convey and deliver to \_\_\_\_\_, a \_\_\_\_\_ ("Buyer"), its successors and/or assigns:

All of the personal property owned by Seller (collectively, "Personal Property") located in or on the real property located at 408 SW 5th Ave in the City of Portland, County of Multnomah, State of Oregon, which Personal Property is more particularly described on Schedule 1 attached hereto and incorporated herein by reference.

Seller hereby covenants with Buyer that said Personal Property is free and clear of and from all encumbrances, security interests, liens, mortgages and claims whatsoever and that Seller is the owner of and has the right to sell same. Seller, on behalf of itself and its successors, does hereby warrant and agree to defend the title in and to said Personal Property unto Buyer, its successors or assigns against the lawful claims and demands of all persons claiming by or through Seller.

IT IS UNDERSTOOD AND AGREED THAT BUYER HAS EXAMINED THE PERSONAL PROPERTY HEREIN SOLD AND THAT THIS SALE IS MADE "AS IS, WHERE IS" AND SELLER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OTHER THAN THE WARRANTY OF TITLE SET FORTH ABOVE, AS TO THE PERSONAL PROPERTY INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Buyer and Seller agree that this Bill of Sale shall be effective upon the delivery thereof by Seller to Buyer.

IN WITNESS WHEREOF, the parties have caused this Bill of Sale to be executed this \_\_\_\_\_ day of \_\_\_\_\_

SELLER:

MULTNOMAH COUNTY, an Oregon political subdivision

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

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

BUYER:

\_\_\_\_\_

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

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

EXHIBIT D

LEASE

## Exhibit 2

### REAL PROPERTY LEASE

Multnomah County Lease Number: L-158

#### SECTION 1. LEASE TERMS.

- 1.1 Date of Lease October 26, 2018
- 1.2 Tenant: **MULTNOMAH COUNTY**,  
an Oregon political subdivision
- Notice Address: Multnomah County – Facilities & Property Mgt.  
ATTN.: Lease Administration  
401 North Dixon Street  
Portland, OR 97227
- 1.3 Landlord: Urban Renaissance Group LLC., a Washington  
Limited Liability company registered to transact  
business in Oregon
- Notice Address: Urban Renaissance Group LLC  
ATTN: Tom Kilbane  
720 SW Washington St., Suite 640  
Portland, OR 97205.
- Address For Payment of Rent: Urban Renaissance Group LLC  
ATTN: Tom Kilbane  
720 SW Washington St., Suite 640  
Portland, OR 97205.
- 1.4 Property: That certain real property defined as the "Property" sold through that certain and separate  
PURCHASE AND SALE AGREEMENT, McCoy BUILDING (Reference Date 10/26/2018) ("Sale  
Agreement"). The Property is developed with the McCoy Building and as that term is further defined  
in the Sale Agreement ("Building").
- 1.5 through 1.10 [Intentionally Omitted.]
- 1.11 Permitted Use of Property:  
Tenant's operation and exclusive occupation and control of the Property for office, social service  
and other purposes in accordance with Tenant's historical and customary practice and Oregon law.
- 1.12 Term of Lease: Initial Term: The initial term of this lease shall run from the  
Lease Commencement Date through the  
Lease Expiration Date("Initial Term").
- Lease Commencement Date: The Closing Date which is the date on which  
Closing occurs pursuant to that separate

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Purchase and Sale Agreement, McCoy Building, executed by the Parties with respect to the Property.

Lease Expiration Date: 11:59 p.m., September 30, 2019.

Rent Commencement Date: Lease Commencement Date.

1.13 Base Rent: As set forth in Table 1.14 – Base Rent below.

1.14 Options to Renew:

As long as Tenant is not in default under this Lease beyond the applicable cure period, if any, at the time of exercise, Landlord hereby grants Tenant the following options to extend the Term of this Lease: a two-month extension of the Lease Expiration Date to November 30, 2019 ("Extension Term #1"); and, if Extension Term #1 is exercised, a two-month extension of the Lease Expiration Date to January 31, 2020 ("Extension Term #2"). Tenant shall exercise its option for Extension Term #1, if at all, by giving Landlord written notice thereof on or before June 30, 2019. If Extension Term #1 is exercised, Tenant shall exercise its option for Extension Term #2, if at all, by giving Landlord written notice thereof on or before August 31 2019. All Lease terms shall remain the same during any Extension Term, except that Base Rent shall be as set forth in *Table 1.14 – Base Rent* below.

**Table 1.14 – Base Rent**

<u>Term Period</u>	<u>Base Rent</u>
Initial Term.	\$0.00 per month.
October 1, 2019, through November 30, 2019 (Extension Term #1).	\$150,000.00 per month.
December 1, 2019, through January 31, 2020 (Extension Term #2).	\$175,000.00 per month.

1.15 Prepaid Rent: None.

1.16 Security Deposit: None.

1.17 Broker(s): Landlord's Agent: Not Applicable.  
Tenant's Agent: Not Applicable.

1.18 Guarantors: Not Applicable.

1.19 Exhibits:  
The following Exhibits are attached hereto and incorporated as a part of this Lease:

Exhibit A – Not Applicable.  
Exhibit B – Not Applicable.  
Exhibits C-1 through C-3 – Tenant's Insurance Program

{00100218;1}

THIS REAL PROPERTY LEASE ("Lease") is made and entered into between Landlord and Tenant on the Date of Lease set forth in Section 1.1. The terms used in Section 1 of this Lease shall have the meanings and definitions given in that Section ("Lease Terms"). The Lease Terms, the Exhibits, any Addendum or Addenda described in the Lease Terms or attached to this Lease, and this Lease agreement are and shall be construed as a single instrument and are hereinafter referred to as the "Lease."

Now, therefore, for valuable consideration, Landlord and Tenant covenant and agree as follows:

## **SECTION 2. LEASE OF PROPERTY.**

2.1 Lease Agreement. Commencing on the Closing Date and subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Property for the Term set forth in this Lease.

2.2 By acceptance of possession of the Property hereunder, Tenant acknowledges that Tenant accepts the Property "AS IS" and "WHERE IS" and as suitable for Tenant's intended use, in good and sanitary operating order, condition and repair, and without representation or warranty by Landlord as to the condition, use or occupancy which may be made thereof.

2.3 Expiration Date. The Expiration Date of this Lease shall be the date stated in Section 1.12 of the Lease Terms.

## **SECTION 3. RENT PAYMENT.**

3.1 Rent. Tenant shall pay to Landlord all Rent for the Property without demand, deduction or offset. The term "Rent" as used in this Lease shall include Base Rent, if any, and all other sums due under the Lease, including Additional Rent. Rent is payable by Tenant in advance on the first day of each month commencing on the Rent Commencement Date. Rent for any partial calendar month shall be prorated based on a thirty (30)-day month for the number of days during that partial month the Property is occupied by Tenant.

3.2 Additional Rent. In addition to Base Rent, if any, during the initial term of this Lease, Tenant shall pay to Landlord all sums of money or other charges required to be paid by the Tenant under this Lease other than Base Rent (all such sums being herein deemed "Additional Rent"), and whether or not the same are designated "Additional Rent" the same shall be payable in lawful money of the United States of America without deduction, set-off or abatement whatsoever. Additional Rent includes all operating costs, maintenance and repair costs, insurance costs (including insurance premiums and deductibles) and real estate tax costs, if any, applicable to the Property during the initial term of this Lease, which amounts shall be paid by Tenant within thirty (30) days of written request by Landlord to Tenant for such payments. It is the intention of the parties that the Rent specified in this Lease shall be completely net to Landlord in each month during the term of this Lease so that this Lease shall yield to Landlord the net rent specified herein during the term of this Lease. Any amount and any obligation which is not expressly declared herein to be that of Landlord pertaining to the Premises shall be deemed to be the obligation of Tenant to be performed by, and at the expense of, Tenant. Except as otherwise specifically provided in this Lease, all costs, expenses, and obligations of every kind and nature whatsoever relating to the maintenance, repair, restoration, replacement and operation of the Premises during the term shall be paid or performed by Tenant.

3.2 Disputes. If Tenant disputes any Additional Rent, or adjustment thereof, Tenant shall give notice to Landlord not later than thirty (30) days after receipt of the notice from Landlord describing the charge or adjustment in question, and in no event later than ninety (90) days after expiration or earlier termination of this Lease. If Tenant fails to give such notice to Landlord, the charge or adjustment by Landlord shall be conclusive and binding on Tenant. If

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Tenant delivers timely notice, the challenged charge or adjustment shall be conclusively resolved by an independent certified public accountant selected by the Parties. Each Party shall pay one-half (1/2) of the fee charged by the accountant selected to decide the matter, except that if the adjustment in favor of Tenant does not exceed five percent (5%) of the challenged amounts, Tenant shall pay (a) the entire cost of the accountant's fee; and (b) all reasonable out-of-pocket costs and expenses incurred by Landlord in responding to the challenge. In the alternative, if the adjustment in favor of Tenant is equal to or exceeds five percent (5%) of the challenged amounts, Landlord shall pay (i) the entire cost of the accountant's fee, and (ii) all reasonable out-of-pocket costs and expenses incurred by Tenant in challenging such charge or adjustment. Nothing herein shall be deemed to alter any other obligations of Tenant as required by this Lease.

3.3 Late Charge; Interest. Rent not paid when due shall bear interest until paid at the lesser of (i) the rate of one and one-half percent (1 ½%) per month, or (ii) the maximum rate of interest then permitted by law. Landlord may impose a late charge of the greater of (a) five percent (5%) of Rent then due or (b) \$50 for each payment of Rent made more than ten (10) days late (the "Late Charge"). Tenant agrees that late payment by Tenant to Landlord of any Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, that the exact amount of such costs are extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment. The imposition or collection or failure to impose or collect such a Late Charge shall not be deemed a waiver by Landlord of any other remedies available for Tenant's default of this Lease. In addition to the Late Charge, Tenant shall pay Landlord an additional charge of \$75 for any checks returned due to insufficient funds.

#### **SECTION 4. USE OF PROPERTY.**

4.1 Permitted Use. Tenant may use the Property for Tenant's Permitted Use and for no other purpose without Landlord's written consent.

4.2 Compliance with Laws. Tenant shall at its expense promptly comply and cause the Property to comply with all Laws applicable to Tenant's particular use of the Property and shall not cause any nuisance.

#### **SECTION 5. TAXES**

5.1 Upon invoice from Landlord, Tenant shall reimburse Landlord for all Real Property Taxes levied against the Property as a consequence of Tenant's use of the Property and/or as a consequence of any interest in the Property held by Tenant under this Lease. For purposes of this Lease, the term "Real Property Taxes" means all taxes and assessments of any public authority against the Property, the cost of contesting any such tax or assessment, and any form of fee or charge imposed on Landlord as a direct consequence of owning or leasing the Property, including but not limited to Rent taxes, gross receipt taxes, leasing taxes, or any fee or charge wholly or partially in lieu of or in substitution for or to supplement ad valorem real property taxes or assessments, whether now existing or hereafter enacted.

5.2 Tenant, at its sole cost and expense, may apply for, and is solely responsible for applying for, exemption from Real Property Taxes as provided by law. At Tenant's request, Landlord will provide information reasonably required for Tenant to apply for such exemption. Any exemption granted as a result of any such application shall accrue for the sole benefit of Tenant, such that the total compensation paid by Tenant under this Lease has been established to reflect the savings of below market rent resulting from the exemption from taxation.

5.3 If, on the Commencement Date, the Property is presently subject to Real Property Taxes, Tenant shall only be responsible for a pro rata share of such Real Property Taxes that reflects the Lease Term in proportion to the whole of the term of the Real Property Taxes.

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## **SECTION 6. MAINTENANCE AND REPAIR.**

Tenant shall, throughout the Term and at no expense whatsoever to Landlord, take good care of the Property, including all improvements hereafter erected thereon, and shall not do or suffer any waste with respect thereto. Tenant shall promptly make all repairs, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, necessary to keep the Building and other improvements, including, without limitation, the roof, mechanical, plumbing, electrical, and other Building systems, in lawful order and in at least as good condition as such improvements are in on the Lease Commencement Date, excepting reasonable wear and tear, Major Damage, or Taking. Tenant shall keep and maintain all portions of the Property in a clean and orderly condition, free of accumulation of water, dirt, rubbish, snow and ice, and Tenant shall not permit or suffer any overloading of the floors of the Building. Landlord shall not be responsible for the cost of any alterations of or repairs to the Property of any nature whatsoever, structural or otherwise, whether or not now in the contemplation of the Parties.

## **SECTION 7. ALTERATIONS.**

7.1 Alterations by Tenant. Tenant shall not make any alterations, additions, or improvements ("alterations") to the Property (i) for which any governmental permit is required; or (ii) that modify any structural, mechanical, electrical or plumbing component of the Property, without first having obtained Landlord's prior written consent, which consent Landlord may withhold in Landlord's sole discretion. If Landlord consents in writing to any proposed alteration of the Property, Tenant shall (A) only contract with a Landlord-approved contractor for the performance of such alterations, (B) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (C) cause all alterations to be completed promptly in compliance with Landlord-approved plans and specifications with all due diligence in a good and workmanlike manner. Except for removable machinery and unattached movable trade fixtures, all alterations, wiring, cables or conduit installed by Tenant shall immediately become part of the Property, with title vested in Landlord. Landlord may require that Tenant remove any such alterations, wiring, cables or conduit installed by or for Tenant after the Lease Commencement Date and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. Any contractor used by Tenant for any work in the Property shall be subject to review and approval by Landlord, and Landlord may post notices of nonresponsibility in connection with any work being performed in the Property by or at the request of Tenant. All work in the Property by or at Tenant's request must comply with all applicable Laws. Tenant shall not permit any liens to attach to the Property or Tenant's interest in the Property as a result of any work performed by or at Tenant's request.

7.2 Alterations by Landlord. Landlord shall not make any alterations, additions, or improvements ("alterations") to the Property without first having obtained Tenant's prior written consent, which consent shall not be unreasonably withheld. If Tenant consents in writing to any proposed alteration of the Property, Landlord shall cause all such alterations to be completed promptly and in compliance with Tenant-approved plans and specifications with all due diligence in a good and workmanlike manner and in compliance with all laws. Landlord shall not permit any liens to attach to the Property or Tenant's interest in the Property as a result of any work performed by or at Tenant's request.

## **SECTION 8. UTILITIES AND SERVICES.**

8.1 General. Tenant shall pay all charges for electricity, water, gas, telephone and other utility services furnished to the Property during the Lease term and for all inspections, governmental fees and other like charges associated therewith. Landlord makes no representation or warranty whatsoever as to the types, quantities, availability or costs of any and all utility services for the Property

Tenant shall comply with all Laws concerning the use or reduction of use of utilities in the Property. Unless caused by the sole, active negligence of Landlord, interruption of any service or utility shall not render Landlord liable

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to Tenant for damages, relieve Tenant from performance of Tenant's obligations under this Lease or be deemed an eviction or disturbance of Tenant's use and possession of the Property. Tenant shall install surge protection systems for power provided to the Property, and Tenant releases Landlord from all liability for any damage caused by any electrical surge.

## **SECTION 9. SIGNS AND OTHER INSTALLATIONS.**

All signs installed by Tenant shall comply with all applicable codes. All signs and sign hardware shall be removed by Tenant, at Tenant's sole cost and expense, upon termination of this Lease.

## **SECTION 10. INSURANCE AND INDEMNITY.**

10.1 Tenant's Insurance. Tenant is self-insured for liability and worker's compensation as substantially set forth in Exhibits C-1 through C-3 and Tenant shall be responsible for insuring its personal property and trade fixtures located on the Property and any alterations or tenant improvements Tenant makes to the Property (together, "Tenant's Insurance Program"). At Tenant's sole cost, Tenant shall maintain (including any necessary renewals) Tenant's Insurance Program throughout the Term and shall provide to Landlord documentation demonstrating the same reasonably requested by Landlord. Tenant shall notify Landlord at least thirty (30) days in advance of any material change to Tenant's Insurance Program.

At all times during the Lease Term and any extensions or renewals, Tenant agrees to cause Tenant's agents, contractors, or subcontractors to keep and maintain workers' compensation insurance and other forms of insurance as may from time to time be required by law or may otherwise be necessary to protect Landlord and the Property from claims of any person who may at any time work on the Property, whether as a servant, agent, or employee of Tenant or otherwise. This insurance shall be maintained at the expense of Tenant or Tenant's agents, contractors, or subcontractors and not at the expense of Landlord.

10.2 Landlord's Insurance. During the Term, Landlord shall maintain in full force and effect a policy or policies of insurance covering the Property, which shall provide coverage against such risks as are commonly covered under a "special form/all-risk" policy (including earthquake and/or flood coverage, at Landlord's sole election), together with loss of rents and secondary liability insurance and other insurance as Landlord deems reasonably necessary and all reasonable deductibles paid under all such policies of insurance. Such insurance shall contain such policy limits and deductibles, shall be obtained through such insurance company or companies, and shall be in such form as Landlord deems appropriate, and shall provide coverage for one hundred percent (100%) of the replacement value of the Property. All insurance proceeds payable under Landlord's casualty insurance carried hereunder shall be payable solely to Landlord, and Tenant shall have no interest therein. The cost of Landlord's Insurance shall be "Additional Rent" and reimbursed by Tenant to Landlord to the extent provided in this Lease.

10.3. Tenant's Indemnity. Tenant shall indemnify, protect, defend and hold Landlord, its officers, agents, invitees, and employees harmless for, from and against any and all claims, liabilities, judgments, demands, costs and expenses (including attorneys' fees) arising from the use and occupancy of the Property by Tenant, Tenant's officers, agents, invitees and/or employees as well as those arising from Tenant's failure to comply with any covenant of this Lease on Tenant's part to be performed and shall, at Tenant's own expense, defend Landlord against any and all suits or actions arising out of such negligence, and all appeals therefrom and shall satisfy and discharge any judgment which may be awarded against Landlord in any such suit or action. Tenant's obligations under this Section 10.3 and under this Lease are subject to and limited under the Oregon Constitution, including but not limited to Article XI, Section 10 therein, as well as the Oregon Tort Claims Act (ORS 30.260 to 30.300), including but not limited to being specifically subject to and within the financial limits and conditions set forth at ORS 30.272 for local public bodies and at ORS 30.273 for public bodies. The provisions of this Section 10.3 shall survive the termination or expiration of this Lease.

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10.4 Landlord's Indemnity. Landlord shall indemnify, defend, and hold harmless Tenant and its officers, subtenants, agents, invitees, and employees from any claim, liability, damage, or loss, or any cost or expense in connection therewith (including reasonable attorney fees), arising out of (a) any damage to any person or property occurring in, on or about the Property as the result of the gross negligence or willful misconduct of Landlord, its officers, employees, contractors, agents or invitees, and/or (b) Landlord's breach or violation of any term of this Lease. The provisions of this Section 10.4 shall survive the termination or expiration of this Lease.

10.5 Waiver of Claims and Subrogation. Landlord and Tenant each hereby releases and waives any and all rights to recover from or proceed against the other Party and its employees, agents and contractors, for loss or damage to any property of the releasing Party or any person claiming through the releasing Party arising from any of the risks covered by property insurance maintained or required under this Lease to be maintained by the releasing Party under this Lease. Landlord and Tenant shall each cause their insurance policies to contain a waiver of subrogation provision consistent with the foregoing.

## **SECTION 11. EMINENT DOMAIN.**

If any substantial portion of the Property shall be permanently taken under any right of eminent domain, or any transfer in lieu thereof ("Taking") and such Taking renders the Property, in the reasonable opinion of Tenant and Landlord, unsuitable for Tenant's use, then either Party may terminate this Lease by giving thirty (30) days' prior written notice to the other Party, and such termination shall be effective on the date possession of the Property, or portion thereof is delivered to the condemning authority. If this Lease is not so terminated, Landlord shall repair and restore the Property as close as practicable to its condition prior to the Taking, and this Lease shall continue, but, commencing with the date on which Tenant is deprived of the use of any portion of the Property or of any rights under this Lease, Base Rent shall be proportionately abated or reduced, based on the extent to which Tenant's use of the Property is impaired. Any and all awards payable by the condemning authority in connection with a Taking shall be the sole property of Landlord; provided, however, that nothing contained herein shall prevent Tenant from prosecuting a separate claim for the value of its interest in the Property, so long as that award does not diminish the award that Landlord would otherwise be entitled to as a result of the Taking.

## **SECTION 12. FIRE OR CASUALTY.**

In case of Major Damage to the Property, Landlord or Tenant may jointly elect to terminate this Lease in writing. "Major Damage" shall mean damage to the Property by fire or other casualty (i) which causes any substantial portion of the Property to be unusable, or (ii) the repair of which will cost more than twenty-five percent (25%) of the replacement value of the Property (iii) or which is not required under this Lease to be covered by insurance. If the Parties do not terminate this Lease after any Major Damage, or if damage occurs to the Property which is not Major Damage, Landlord shall promptly restore the Property to a condition to which the Parties mutually agree that at a minimum allows for continued operation of the Permitted Use, and this Lease shall continue in full force and effect. In the event of any damage to the Property by fire or other casualty, Tenant shall promptly repair and restore all tenant improvements or alterations installed or paid for by Tenant after the Lease Commencement Date or pay the cost of such restoration to Landlord if Landlord performs such restoration. In the event the Property is damaged by any casualty, Rent shall be reduced in proportion to the unusable portion of the Property from the date of damage until the date restoration work to the Property is substantially complete.

## **SECTION 13. ASSIGNMENT; SUBLETTING.**

Tenant shall not assign or encumber its interest under this Lease without having first provided thirty (30) days' written notice to Landlord and thereafter obtained Landlord's written consent, which consent may be withheld by

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Landlord in its sole discretion. Tenant shall deliver written notice of Tenant's desire to assign this Lease. No assignment shall relieve Tenant of its obligation to pay rent or perform other obligations required by this Lease, and no consent to one assignment shall be a consent to any further assignment. Tenant shall be entitled to sublet one or more portions of the Property to one or more of Tenant's services contractors provided any such sublease terminates on or before the Termination Date of this Lease; otherwise, Tenant may sublet all or any portion of the Property only upon Landlord's written consent, which consent may be withheld by Landlord in its sole discretion.

## **SECTION 14. DEFAULT.**

14.1 Events of Default. Each of the following shall be an Event of Default by Tenant under this Lease:

14.1.1 Failure by Tenant to pay Rent or any other charge due under this Lease within ten (10) days after receipt of written notice from Landlord that the same is then due.

14.1.2 Tenant's failure to execute and deliver to Landlord the documents described in Section 18 or 22 within ten (10) days after written notice from Landlord.

14.1.3 Assignment by Tenant in violation of Section 13.

14.1.4 Tenant's insolvency or assignment for the benefit of its creditors. Tenant's commencement of proceedings under any provision of any municipal bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer; or the appointment of a receiver for all or any portion of Tenant's properties or financial records.

14.1.5 Failure by Tenant to comply with any other obligation of this Lease within thirty (30) days following written notice from Landlord specifying the failure (except in the case of emergency, in which event Landlord shall only be required to give such notice as is reasonable under the circumstances); provided, however, that if the nature of Tenant's default requires more than thirty (30) days to correct, Tenant shall not be deemed in default of this Lease so long as Tenant commences the cure of such failure within such thirty (30)-day period and thereafter, proceeds in good faith and with all diligence to complete such cure as soon as possible but in no event later than ninety (90) days after the date of Landlord's notice of default.

14.2 Landlord's Remedies for Default. Upon the occurrence of an Event of Default, Landlord's sole remedy shall be as follows: subject to the provisions in Section 3.3 governing Tenant liability for damages arising from late payment of Rent, Tenant shall be liable to Landlord for all damages caused by Tenant's default. Landlord may periodically sue Tenant to recover damages as they accrue, and no action therefor shall bar a later action for damages accruing thereafter.

14.3 Landlord's Right To Cure Default. Landlord may, but shall not be obligated to, make any payment or perform any obligation under this Lease that Tenant has failed to perform, as and when required hereunder. Tenant shall pay Landlord for all expenditures and costs incurred by Landlord in performing any obligation of Tenant, upon demand, with interest thereon at the rate of one percent per month (1%), but in no event at a rate in excess of that allowed by Law. Landlord's right to cure any Tenant default is for the sole protection of Landlord and in no event shall Tenant be released from any obligation to perform all of Tenant's obligations and covenants under this Lease. The contents of this Section shall not be deemed a waiver by Landlord of any other right that Landlord may have arising from any default of this Lease by Tenant, whether or not Landlord exercises its rights under this Section.

14.4 Landlord's Default. Landlord shall not be deemed to be in default of the performance of any obligation required to be performed by it hereunder unless and until Landlord fails to perform such obligation within

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thirty (30) days after written notice by Tenant to Landlord specifying the nature of Landlord's alleged default; provided, however, that if the nature of Landlord's alleged default is such that more than thirty (30) days are required for its cure, then Landlord shall not be deemed to be in default if Landlord shall commence such performance within such thirty (30)-day period and thereafter diligently prosecute the same to completion.

#### **SECTION 15. NOTICES.**

All notices, demands, consents, approvals and other communications provided for herein shall be invalid unless set forth in a writing and delivered by electronic mail transmission, overnight air courier, personal delivery or registered or certified U.S. mail with return receipt requested to the appropriate Party at its address as set forth in Section 1.2 for Tenant and Section 1.3 for Landlord.

Addresses for notices may be changed from time to time by written notice to all other parties. Any communication given by facsimile transmission must be confirmed within forty-eight (48) hours by overnight air courier. If any communication is given by mail, it will be effective upon the earlier of (a) forty-eight (48) hours after deposit in the U.S. mail, with postage prepaid, or (b) actual receipt, as indicated by the return receipt; if given by electronic mail, when sent; and if given by personal delivery or by overnight air courier, when delivered.

#### **SECTION 16. LANDLORD ACCESS.**

After reasonable notice to Tenant, Landlord may enter upon the Property, accompanied by Tenant's building manager, to assess compliance with this Lease, perform required or necessary maintenance or repairs to the Property, show the Property to potential buyers or future tenants of the Property, and post appropriate notices. Except in case of emergency, all entry to the Property shall be at times and in a manner so as to minimize interference with Tenant's use of the Property.

#### **SECTION 17. CONVEYANCE BY LANDLORD**

If the Property is sold or otherwise conveyed by Landlord or any successor, so long as Tenant is not in default beyond any applicable cure period, Landlord shall cause such successor to recognize Tenant's rights hereunder, and Tenant shall attorn to the buyer or transferee and recognize that party as the landlord under this Lease. If the buyer or transferee assumes all obligations of Landlord under this Lease accruing thereafter, Landlord shall be deemed released of all liability to Tenant under this Lease accruing thereafter.

#### **SECTION 18. SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.**

Without further documentation, this Lease shall be subject and subordinate to any deeds of trust, mortgages, ground lease, master lease or land sale contracts and any amendment or modification thereof, now existing or hereafter recorded against the Property (collectively, the "Encumbrances"). Tenant shall execute all documents reasonably requested by Landlord or the holder of an Encumbrance to confirm such subordination; provided, however, that this Lease shall only be subordinate to any future Encumbrance, or modification thereof, if the holder of that Encumbrance executes a commercially reasonable non-disturbance agreement by which the holder of such Encumbrance recognizes Tenant's rights under this Lease unless Tenant is in default beyond any applicable cure period. If any Encumbrance is foreclosed, so long as the buyer at the foreclosure sale delivers to Tenant a written agreement recognizing Tenant's interest in this Lease, Tenant shall attorn to such buyer, and this Lease shall continue in full force and effect.

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## **SECTION 19. SURRENDER; HOLDOVER.**

Upon expiration or earlier termination of this Lease, Tenant shall surrender the Property, peaceably, quietly, and in as good order and condition, reasonable use and wear thereof, damage by fire, unavoidable casualty, and the elements alone excepted, as the same existed on the Closing Date. Tenant shall remove all of its personal property and shall repair all damage to the Property resulting from that removal. If Tenant fails to remove any such personal property, those items shall be deemed abandoned, and Landlord may remove or dispose of such items without liability to Tenant or others. Notwithstanding any term or provision of this Lease, Tenant shall have ten (10) days after termination of this Lease to remove its property from the Premises. The provisions of this Section shall survive any termination of this Lease.

If Tenant fails to surrender the Property and remove all its personal property as set forth herein, Landlord may either: (i) recognize Tenant as a month-to-month tenant at sufferance and such tenancy shall be subject to all terms of this Lease, except that Rent shall be Two Hundred Thousand Dollars (\$200,000.00) per month; or (ii) evict Tenant from the Property and recover all damages resulting from Tenant's wrongful holdover.

## **SECTION 20. HAZARDOUS MATERIALS.**

Neither Tenant nor Tenant's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, excepting the following to the extent such materials are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good environmental practices: reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant's operations and maintenance; and materials necessary to or required as part of Tenant's operations and maintenance of the Permitted Use. Tenant covenants to remove from the Property, upon the expiration or sooner termination of this Lease and at Tenant's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment by Tenant, its agents, employees or invitees during the term of this Lease. To the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend, protect, and hold harmless Landlord, Landlord's managing agent and their respective agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials by Tenant, its agents, employees or invitees on, in, or about the Property which occurs during the term of this Lease. To the fullest extent permitted by law, Landlord hereby agrees to indemnify, defend, protect and hold harmless Tenant, and its agents and employees and its respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials by Landlord, its agents, employees, or contractors on, in or about the Property; provided, however, in no event shall Landlord be required to indemnify Tenant with respect to any Hazardous Materials that are present on the Property as of the Lease Commencement Date ("Preexisting Hazardous Materials") except to the extent that a claim, judgment, damage, penalty, fine, cost, liability or loss arises from Landlord's negligence or willful misconduct with respect to the use, storage, disposal, or release of such Preexisting Hazardous Materials. Tenant shall promptly notify Landlord of any release of Hazardous Materials in, on, or about the Property that Tenant, or Tenant's agents or employees, becomes aware of during the Term of this Lease, whether caused by Tenant, Tenant's agents or employees, or any other persons or entities.

As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the state of Oregon or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state or local law, (ii) petroleum, and (iii) asbestos. The provisions

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of this Section 20, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.

#### **SECTION 21. LITIGATION; WAIVER OF JURY TRIAL; COSTS AND EXPENSES.**

21.1 Any claim, suit, action, counterclaim, or other proceeding ("Claim"), including any bankruptcy proceeding, instituted by either Party against the other in connection with any controversy arising out of this Lease or the Property shall be brought and conducted **SOLELY AND EXCLUSIVELY BY BENCH TRIAL** within the Circuit Court of Multnomah County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted **SOLELY AND EXCLUSIVELY BY BENCH TRIAL** within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by either Party of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

21.2 By execution of this Lease:

**(A) EACH PARTY HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION 21; AND**

**(B) EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM SUBJECT TO THIS SECTION 21.**

21.3 Each Party shall bear its own costs and expenses, including attorney fees, at trial and on appeal or petition for review. If either Party engages a collection agency to pursue any delinquent amounts owed by the other Party, whether under the terms of this Lease or pursuant to a court judgment or other decree, the owing Party shall pay, in addition to all amounts payable under this Lease or pursuant to the court judgment or other decree, all collection agency fees charged to the collecting Party and all attorney fees incurred by the collecting Party in performance of such collection.

#### **SECTION 22. ESTOPPEL.**

At any time and from time to time upon not less than ten (10) business days' prior notice from either Party, the other Party will execute, acknowledge and deliver to the requesting Party a certificate certifying whether or not this Lease is in full force and effect and unmodified, if there are any modifications, that the Lease is in full force and effect as modified; that Tenant is in possession of the Property; the dates to which Rent has been paid in advance and the amount of any prepaid Rent; and such other matters as may be reasonably requested. If either Party fails to deliver a requested certificate within the specified time, such failure shall conclusively establish that the Party from whom the certificate was requested confirms that the Lease is in full force and effect, without modification except as may be represented by the requesting Party. The Parties agree that any such certificate may be relied upon by any existing or prospective holder of an Encumbrance or any prospective transferee of this Lease or the Property.

#### **SECTION 23. QUIET ENJOYMENT.**

Landlord warrants that, so long as Tenant complies with all terms of this Lease, Tenant shall have quiet and peaceful possession of the Property free of disturbance by Landlord or others claiming by or through Landlord.

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#### **SECTION 24. FORCE MAJEURE.**

If the performance by either Party of any provision of this Lease is prevented or delayed by any strikes, lockouts, labor disputes, acts of God, government actions, civil commotions, fire or other casualty, or other causes beyond the reasonable control of the Party from whom performance is required, such Party shall be excused from such performance for the period of time equal to the time of that prevention or delay.

#### **SECTION 25. BROKERS.**

Neither Party shall have any obligation or liability to pay any broker commission associated with this Lease. Each Party shall indemnify, defend, and hold the other Party harmless from and against any and all costs, expenses or liability for commissions or other compensation or charges claimed by or awarded to any broker or agent with respect to this Lease.

#### **SECTION 26. GOVERNING LAW.**

This Lease shall be construed and interpreted and the rights of the Parties determined in accordance with the laws of the state of Oregon (without reference to the choice-of-law provisions of Oregon law); provided further, that respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject of this Lease, and as to those matters, the law of jurisdiction under which such entity derives its powers shall govern.

#### **SECTION 27. NONWAIVER.**

No delay by either Party in promptly enforcing any right or remedy set forth in this Lease shall be deemed a waiver thereof, and that right or remedy may be asserted at any time after the delaying Party becomes entitled to the benefit of such right or remedy notwithstanding such delay.

#### **SECTION 28. CAPTIONS.**

The Section headings of this Lease are for descriptive purposes only and in no way define, limit or describe the scope, intent or meaning of this Lease.

#### **SECTION 29. CONSENT.**

Except where otherwise specifically provided in this Lease to the contrary, whenever a Party's consent is required under this Lease, such Party shall not unreasonably withhold its consent.

#### **SECTION 30. LIMITATION ON LIABILITY.**

Notwithstanding anything to the contrary in this Lease, except to the extent damages are caused by the negligence of Landlord and its agents and employees, Tenant hereby releases Landlord, its agents and employees from (i) damage to Tenant's property, (ii) damage arising out of the acts, including criminal acts, of third parties, (iii) consequential damages, and (iv) any damage, cause or matter that exceeds the value of Landlord's interest in the Property. The obligations of Landlord under this Lease do not constitute personal obligations of the individual partners, directors, officers, members, employees or shareholders of Landlord or its partners, and Tenant shall look solely to the Premises, and the rents and profits therefrom, for satisfaction of any liability in respect of this Lease and will not seek

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recourse against the individual partners, directors, officers, members, employees or shareholders of Landlord or its partners or any of their personal assets for such satisfaction.

#### **SECTION 31. TIME OF THE ESSENCE AND HOLIDAYS.**

Time is of the essence of each and every provision hereof. If the final date of any period of time set forth herein occurs on a Saturday, Sunday or legal holiday, then in such event, the expiration of such period of time shall be postponed to the next day which is not a Saturday, Sunday or legal holiday.

#### **SECTION 32. COMPLETE AGREEMENT; NO IMPLIED COVENANTS.**

This Lease and the attached Exhibits and schedules, if any, contain the entire agreement of the Landlord and Tenant concerning the Leaseback of the Property, and all prior written and oral agreements and representations between the Parties are void. Landlord and Tenant agree that there are no implied covenants or other agreements between the Parties except as expressly set forth in this Lease. Neither Landlord nor Tenant is relying on any representations of the other Party except those expressly set forth herein.

#### **SECTION 33. SUCCESSORS.**

This Lease shall bind and inure to the benefit of the Parties, their respective heirs, successors, and permitted assigns.

#### **SECTION 34. SEVERABILITY.**

If any clause or provision of this Lease is or becomes illegal, invalid, impossible to perform or unenforceable under present or future laws effective during the Term, such clause shall be severable from this Lease and the Parties intend that the remainder of this Lease shall not be affected and, if the remainder of this Lease results in an invalid or incomplete agreement, the Parties intend that in lieu of the severed clause, there be added a clause or provision as similar in terms possible and which is legal, enforceable and equitable to complete the agreement.

#### **SECTION 35. AUTOMATIC VOIDANCE OF LEASE.**

If the Sale Agreement terminates without Closing under the terms of the Sale Agreement, this Lease shall be deemed automatically null and void and the Parties shall have no further obligations to or claims against each other under this Lease.

#### **SECTION 36. COUNTERPARTS; FACSIMILE SIGNATURES.**

This Lease may be executed in a number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Lease. This Lease may be executed by electronic, digital, or facsimile signature and any such signature shall be considered to have the same binding legal effect as a hand-written or wet-ink signature.

*[signatures on next page]*

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IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this Lease:

LANDLORD: \_\_\_\_\_

TENANT: MULTNOMAH COUNTY,  
an Oregon political subdivision

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

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

Name/Title: \_\_\_\_\_

Name/Title: Deborah Kafoury, Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Jed Tomkins, Assistant County Attorney

Date: \_\_\_\_\_

THIS DOCUMENT AND ANY ATTACHMENTS HERETO HAVE BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR REVIEW AND APPROVAL PRIOR TO SIGNING. NO REPRESENTATION OR RECOMMENDATION IS MADE BY COMMERCIAL ASSOCIATION OF BROKERS OR BY THE REAL ESTATE LICENSEES INVOLVED WITH THIS DOCUMENT AND ANY ATTACHMENTS HERETO AS TO LEGAL SUFFICIENCY OR TAX CONSEQUENCES. THIS FORM SHOULD NOT BE MODIFIED WITHOUT SHOWING SUCH MODIFICATIONS BY REDLINING, INSERTION MARKS, EXHIBITS OR ADDENDA.

{00100218;1}

## EXHIBIT C-1

### Department of County Management



### Risk Management, Property and Liability Programs

9 May 2018

Address of Recipient  
Address of Recipient  
Address of Recipient

Re: Multnomah County – Self-Insured Liability Program & Self-Insured Workers' Compensation Program

To Whom It May Concern:

The purpose of this letter is to inform you of Multnomah County's self-insurance program. The County is self-insured for Workers' Compensation up to \$1,000,000. Excess coverage is carried over this self-insured level. Multnomah County is also self-insured for liability, including but not limited to bodily injury, property damage and host liquor liability, up to \$1,000,000 per occurrence.

The County maintains an insurance fund from which to pay all costs and expenses relating to claims for which they are self-insured. The County carries a follow form excess insurance policy of \$9,000,000 over this self-insured level. The County will not add any entity or person to this policy as a scheduled "Additional Insured" however blanket additional insured language of the County's follow form excess policy can be provided on request.

Please let me know if you have any questions. My number is (503) 988-5851.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey O'Donnell".

Casey O'Donnell  
Property and Liability Risk Specialist  
Finance & Risk Management Division  
(503) 988-5851  
[casey.odonnell@multco.us](mailto:casey.odonnell@multco.us)

## EXHIBIT C-2



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/12/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Brown & Brown Northwest 2701 NW Vaughn St., Suite 340 Portland OR 97210		<b>CONTACT NAME:</b> Michaelene Thomas, CIC, ARM <b>PHONE (A/C, No. Ext):</b> (503)274-6511 <b>FAX (A/C, No):</b> (503)274-6524 <b>E-MAIL ADDRESS:</b> mthomas@bbnw.com															
<b>INSURED</b> Multnomah County Multnomah County Risk Mgt 501 SE Hawthorne Blvd Ste #400 Portland OR 97214		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Allied World Insurance Company</td> <td>22730</td> </tr> <tr> <td>INSURER B: Allied World National Assurance Co</td> <td>10690</td> </tr> <tr> <td>INSURER C: Midwest Employers Casualty Co</td> <td>23612</td> </tr> <tr> <td>INSURER D: Allied World Assurance Company (US)</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Allied World Insurance Company	22730	INSURER B: Allied World National Assurance Co	10690	INSURER C: Midwest Employers Casualty Co	23612	INSURER D: Allied World Assurance Company (US)		INSURER E:		INSURER F:	
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INSURER F:																	

## COVERAGES

CERTIFICATE NUMBER: CL177651367

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>Professional Liability</b> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			5110-0047-01	7/1/2017	7/1/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			5110-0047-01	7/1/2017	7/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			5111-0056-01 Excess of Underlying	7/1/2017	7/1/2018	EACH OCCURRENCE \$ 9,000,000 AGGREGATE \$ 9,000,000
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	EWC009186 Excess of WC Limit: \$50,000,000 WC SIR: \$1,000,000	7/1/2016	7/1/2018	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	<b>Healthcare Professional Liability</b>			0304-7617 Claims Made 7/1/07 Retro	7/1/2017	7/1/2018	Per Claim & Aggregate \$10,000,000 Retention: \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Operations of Insured

## CERTIFICATE HOLDER

## CANCELLATION

Information Purposes Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

R Graybeal, CPCU, ARM

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Department of County Management



Risk Management, Property and Liability Programs

9 February 2015

**Multnomah County  
Certificate of Automobile Liability Insurance**

This certifies that Multnomah County, Oregon, has established an insurance fund and is self-insured for third-party bodily injury, personal injury and property damage claims arising from use of Multnomah County's motor vehicles.

INSURED: Multnomah County  
VEHICLE: All vehicles registered to or leased by Multnomah County  
POLICY: County Code Ordinances 7.101 and 7.104  
POLICY TERM: Continuous

THIS INSURANCE COMPLIES WITH ORS 806.130 AND OAR 735.050.0020

Risk Services Manager Michelle E. Carr Date Issued 2/9/2015

**Oregon Department of Transportation Non-Expiry Certificate Number 28**

This certificate issued by the:  
Finance and Risk Management Division  
Multnomah County  
501 SE Hawthorne Blvd., Suite 400  
Portland OR 97214





Oregon

Theodore R. Kulongoski, Governor

Department of Transportation

DMV Services  
1905 Lana Avenue NE  
Salem OR 97314

FILE CODE:

September 10, 2007

Helen Barkley  
Multnomah County  
501 SE Hawthorne Blvd., Ste 400  
Portland OR 97214

RE: Self-insurer under ORS 806.130 and OAR 735-050-0020

Your application for a self-insurance certificate has been approved.

*Certificate number 28 is a non-expiry certificate.*

*Please place a copy of this certificate in each vehicle covered under the certificate.*

*Contact DMV if any changes on the application occur.*

If you have any questions, please call me at (503) 945-5027.

Sincerely,

James Wilborn  
Office Specialist 2  
Accident Reporting Unit  
FAX (503) 945-5267

RECEIVED

SEP 12 2007

RISK MANAGEMENT

