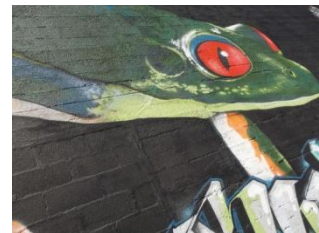




North Williams Center Portland, Oregon Surplus Property Report July 2014



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1. Surplus Process

By Resolution No. 2013-060, dated May 16, 2013, the Board declared the North Williams Center property, located at 2124-2156 N. Williams Avenue, Portland, Oregon ("Property"), as Surplus Property and authorized Facilities and Property Management Division to commence the Surplus Property Process. By Resolution 04-185, dated December 9, 2004, the Multnomah County Board of Commissioners adopted a policy for declaring real property owned by the County as surplus. It is intended to provide the opportunity for broad public input as to the future of real property no longer needed for County use. It includes active outreach to the community, advertising, and an opportunity for public comment.

The Property is currently leased to Albertina Kerr Centers as a vocational training center for developmentally disabled clients, as approved by Resolution 2013-059, dated May 16, 2013. (Attachment B.) The County's acquisition of the Property, in satisfaction of the prior operator's leasehold obligations to the County, was approved by Resolution 2013-029, dated March 21 2013, and fully completed on September 30, 2013. The Facilities Director reviewed the prior recommendation and declaration of Surplus. As of July 31, 2014, the Director reiterates the findings that the Property is not required for County use. The County has no practical, efficient, or appropriate use for the Property, other than to sell it in an effort to recover the County's leasehold investment in the Property, and the County will have no use for the North Williams Center.

The Board of County Commissioners will receive this Surplus Property Report, including Public Comment received during the Surplus Property Process, at the regularly scheduled Board Meeting on Thursday, July 31, 2014. The meeting will take place at the Multnomah Building, 501 SE Hawthorne, in Board Room 100, immediately off the lobby. The Agenda is published at: [Board Agenda](http://multnomah.granicus.com/ViewPublisher.php?view_id=3)

http://multnomah.granicus.com/ViewPublisher.php?view_id=3

2. Property History

The Property was acquired by Multnomah County in its entirety on September 30, 2013. As such, the County has limited property history, operations, maintenance and improvements information.

The Property previously operated as the Wagstaff Battery Manufacturing Company, the site of industrial battery manufacturing and recycling from 1962 to 1991. The consequences of this use are detailed in Section 3, *Property Information*. Prior to battery manufacturing and recycling, the Property was originally used by an upholstery company and subsequently by a lounge chair manufacturer.

Since 1998, the Property was owned and operated by Port City Development Center ("Port City") as a vocational training center for developmentally disabled clients. The County entered into a financial arrangement with Port City in 2000, detailed in Attachment A: *Resolution 2013-029*. This transaction ultimately resulted in the conveyance of the Property by Port City to the County in satisfaction of Port City's obligation to the County and to protect the County's security interest in the Property. The principal amount owed to the County under the leasehold financing with Port City was approximately \$1,500,000.

3. Property Information

LOCATION: The Property is located at 2124-2146 North Williams Avenue in North Portland. It is located within the Eliot Neighborhood Association and represented by the Northeast Coalition of Neighborhoods. It is also located in the [Interstate Corridor Urban Renewal Area](#) administered by the Portland Development Commission.



PROPERTY AND IMPROVEMENTS: The Property totals 50,000 square feet (approximately 1.15 acres.) and is served by city water and sewer. All urban utility services are available. There are three buildings on the Property, totaling approximately 17,000 square feet in useable area. The site is flat, with an irregular shape, wrapping around a single family residence on NE Thompson. As referenced in the Public Involvement Section 4, this adjoining property owner submitted comments (Attachment H).

The Property has very good to excellent exposure along North Williams, an increasingly used multi-modal arterial with significant improvements identified. The area is experiencing above average development and growth.



ZONING: The Property is zoned R1 (32,500 square feet) and R2 (17,500 square feet). These are residential zones. The existing use is non-conforming, but, permitted as a pre-existing use. The following descriptions are from the City of Portland Bureau of Planning and Sustainability:

R1 (Residential 1,000) zone:

The R1 zone is a medium density multi-dwelling zone. It allows approximately 43 units per acre. Density may be as high as 65 units per acre if amenity bonus provisions are used. Allowed housing is characterized by one to four story buildings and a higher percentage of building coverage than in the R2 zone. The major type of new housing development will be multi-dwelling structures (condominiums and apartments), duplexes, townhouses, and rowhouses. Generally, R1 zoning will be applied near Neighborhood Collector and District Collector streets, and local streets adjacent to commercial areas and transit streets.

R2 (Residential 2,000) zone: *The R2 zone is a low density multi-dwelling zone. It allows approximately 21.8 dwelling units per acre. Density may be as high as 32 units per acre if amenity bonus provisions are used. Allowed housing is characterized by one to three story buildings, but at a slightly larger amount of building coverage than the R3 zone. The major types of new development will be duplexes, townhouses, rowhouses and garden apartments. These housing types are intended to be compatible with adjacent houses. Generally, R2 zoning will be applied near Major City Traffic Streets, Neighborhood Collector and District Collector streets, and local streets adjacent to commercial areas and transit streets.*

The zoning in the area of the Property is subject to current discussion among the City of Portland, neighborhood stakeholders and others. It is the subject of Public Comment received during this process. Additional information on the Comprehensive Plan Update may be found at the City of Portland [Bureau of Planning and Sustainability Comprehensive Plan Update](#) and [Central City Plan 2035 N/NE Quadrant Plan](#).



The oldest building was constructed in 1927, with a renovation in 2005/6. It is a combination of office and warehouse and totals 7,800 square feet. It is the main administrative area of the vocational operations, and hosts common area amenities, including office, meeting rooms, multiple



restrooms, and a large kitchen and common space. It is partly subject to some constraints, discussed below in *Environmental Conditions*.



This building is connected to the newest building on the Property, a 7,500 square foot warehouse constructed in 1971. It has covered loading docks with two roll up doors and fronts the intersection of North Williams and NE Tillamook.



The building at the corner of North Williams and NE Thompson was constructed in 1937. It contains

approximately 4,489 square feet of flex warehouse space that is used as gallery and workshop space.

ENVIRONMENTAL CONDITIONS: The Property was the site of a battery manufacturing operation historically associated with releases of hazardous materials. Port City invested in the remediation of the site with funds loaned by the County. The Property is in compliance with environmental regulations for its use and operation and received a No Further Action letter from the Oregon Department of Environmental Quality ("DEQ"). The site is subject to an environmental encumbrance, an *Easement*

and Equitable Servitude ("EES") which restricts disturbance of any subsurface in a delineated area. (Attachment G.) The slab or cap cannot be penetrated in certain areas delineated in the EES. No additional environmental conditions are known.

Because Port City conveyed the Property to the County in satisfaction of Port City's financial obligation to the County, under the terms of Resolution 2013-029, the County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120, and accepted title to the Property "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120. Under these provisions, as long as the County diligently pursues the disposition of the Property, the County does not become a potentially responsible party for any environmental clean-up obligations should conditions be discovered later.

VALUATION: The County is in the process of commissioning an independent appraisal on the Property. According to Multnomah County Assessor's Office, the current real market value of the improvements for the current tax year is \$1,456,500. The real market value for the land is \$613,500 for a total Property valuation of \$2,070,000. The environmental conditions are not accounted for in the valuations. The appraisal will assume that there are no outstanding environmental conditions affecting value.

ALBERTINA KERR LEASE: The County currently leases the Property to Albertina Kerr Centers, Inc. ("Kerr"), as approved by Resolution 2013-059 (Attachment B). This lease fully supported the continued operation of the important services provided to the clients served by Port City, and now Kerr. The County and Kerr entered into a Project Charter to support the program and its successful operation without compromise and to promote the successful disposition of the Property. The primary term of the lease expired June 30, 2014. Kerr exercised options to extend the lease to June 30, 2016. Senior leadership at Kerr has stated that Albertina Kerr does not intend to acquire the Property, but is committed to the program based on the availability of stable and sustainable funding. Kerr is currently in the process of completing its facility strategic plan, which includes relocating the program currently operated at North Williams. ..

4. Public Involvement

The Surplus Property Process employs multiple channels to publicize the Property designation and to solicit public input. The active solicitation of public comment is intended to assist the Board in a fully informed decision on the ultimate disposition of a surplus property.

E-MAIL: Key stakeholders (neighborhood and business coalitions, agencies, etc.) were directly sent the Surplus Notice and Open House announcement. Moreover, over 700 area real estate professionals were informed through the commercial service, *Vertical E-Mail*.

SIGNAGE: The Property was posted on March 6, 2014:



PROPERTY INSPECTION TOURS: A total of four Property Inspection tours were offered on March 18 and April 23, 2014.

INTERNET: The County Surplus website is continually updated with Weekly Updates, including any process questions:

<http://web.multco.us/facilities-property-management/surplus-property>

ADVERTISEMENTS: As of the publication of this Surplus Property Report, five display advertisements have been published in the *Daily Journal of Commerce*.

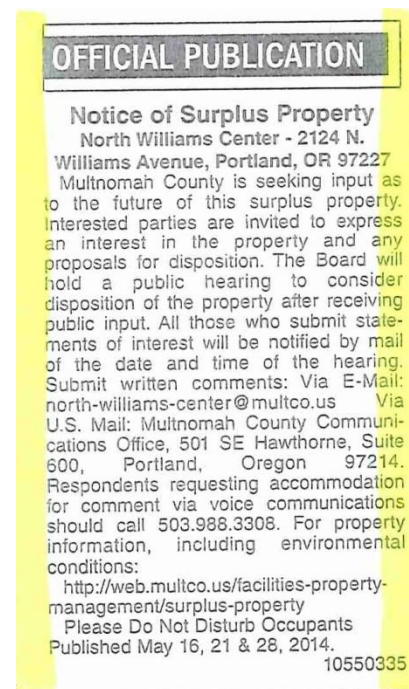
RESPONSES: By the June 5, 2014 deadline, a total of six written responses were received at the dedicated address: north-williams-center@multco.us. There were no requests for accommodation via other means and no phone calls by the deadline. The comments are reproduced in Attachment H.

The responses were relevant, thoughtful, and substantial. There were two main themes raised by the public input. First, there is strong community support for the program operated at the Property. It is a testament to the importance of the work and the excellence of execution. Second, the Property is in an area of above average growth and development. Because of the neighborhood's unique characteristics, the existing zoning is a subject of current discussion among the City of Portland, neighborhood representatives, and other stakeholders as part of the comprehensive planning process.

5. Disposition Recommendation

The North Williams Center is unique in several important respects.

ASSET: The Property has been in County ownership for a short period of less than a year, an unprecedented interval under the County Surplus Property



Process. It was not acquired for County use and, as such, consideration must be given to recovering the \$1,500,000 principal balance owing to the County. In addition, the Property does not have the operating, maintenance and improvements history of a facility that has been owned by the County for an extended period of time. Moreover, the zoning and entitlements are under discussion, which should be monitored. Finally, the Director of Facilities and Property Management Division has reiterated there is no practical use for the Property by the County.

USE: The Property is the site of an important program now operated by Kerr. The importance of the program was the basis for the initial financial transaction with Port City and an expression of the County's support for such. The public involvement process reinforced broad and deep support for the program for developmentally disabled clients, which the County has long demonstrated, most recently in the lease to Kerr, which expires June 30, 2016.

ENVIRONMENTAL: The Property was contaminated from prior uses, subsequently remediated, and is in current compliance with DEQ regulations. However, there is potential liability should the County assume control of the asset for purposes other than its disposition. There is an Easement and Equitable Servitude (Attachment G) recorded against the Property which will influence the future development of the site. Moreover, the County will need to protect its exposure to environmental liability upon disposition through the use of a Prospective Purchaser Agreement ("PPA"). A PPA is a legally binding agreement between DEQ and a prospective purchaser or lessee of real property. A PPA limits the purchaser's or lessee's liability to DEQ for environmental cleanup of the property. In return for this liability release, the PPA must provide the state with a substantial public benefit. The Board recently required that a PPA be in place prior to disposition of another County-owned property with environmental conditions. A PPA can take many months to negotiate which may result in a longer escrow period prior to closing.

RECOMMENDATION:

Facilities and Property Management Division shall diligently prepare and issue a Real Property Solicitation (RPS) for proposals for the purchase and sale of the Property, which may include, but not be limited to the following criteria that:

- a. Support Kerr's programs operating at the Property;
- b. Protect the County's current and future liability in the disposition of the Property, as well as environmental impact to the public;
- c. Seek fair market value for the Property; and,
- d. Consider the highest and best use of the Property based upon the economic development and community impact.

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

RESOLUTION NO. 2013-029

Authorizing Actions Related to Port City Leases and Acceptance of Deed from Port City to Satisfy Financial Obligation.

The Multnomah County Board of Commissioners Finds:

- a. Motor Vehicle Rental Tax Revenue Bonds (Bonds) were issued pursuant to a Trust Indenture, dated as of November 1, 2000, between the County, as issuer, and U.S. Bank, N.A. (formerly known as U.S. Bank Trust National Association), as trustee.
- b. In conjunction with issuance of the Bonds, on November 1, 2000 the County entered into a Ground Lease Agreement (Ground Lease) and a Sublease Agreement (County Sublease) with Port City Development Center, an Oregon Nonprofit Corporation (Port City) for lease by the County and sublease back to Port City of certain real property and improvements located in the City of Portland, County of Multnomah, State of Oregon as described more fully in those agreements (the Property), for Port City's operation of a vocational training center serving developmentally disabled County residents.
- c. Rental payments made by Port City to the County under the County Sublease have been used to repay the Bonds, in part.
- d. Due to financial hardship, Port City defaulted on its rent and notified County of its intent to cease operations and to assign the vocational training center contracts to Albertina Kerr Centers, Inc., an Oregon nonprofit corporation (Kerr) effective February 1, 2013, and of Port City's willingness to convey title to the Property to County, in full satisfaction of Port City's financial obligation under the Port City Sublease.
- e. Section 10.1 of the County Sublease requires Port City to obtain County's consent to any sublease of Port City's interest in the County Sublease, and the considerations for County's consent are Kerr's operation of the vocational training center and Port City's agreement to deliver to County the monthly rental paid by Kerr prior to termination of the County Sublease, in partial satisfaction of Port City's obligations under the County Sublease.
- f. During the term of the County Sublease, County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Property, and is prepared to accept title to secure repayment of the Bonds and therefore "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.
- g. County and Port City desire to terminate the Ground Lease and the County Sublease contemporaneously with Port City's execution and delivery to County of the Bargain & Sale Deed conveying the Property to County.

The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to execute the Consent to Port City Sublease, Termination of Port City to County Ground Lease, Termination of County to Port City Sublease, and Acceptance of Deed from Port City in substantial conformance with the forms attached to this Resolution and to execute any additional documents necessary or desirable to further the intent of the attached documents, including a direct lease of the Property to Kerr following recordation of the Deed from Port City, so long as such modifications or documents do not result in a material increase in the obligations of Multnomah County or a material decrease in the benefits for Multnomah County under the attached documents.

ADOPTED this 21st day of March, 2013.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Joanne Fuller, Chief Operating Officer, and Mark Campbell, Chief Financial Officer

**MULTNOMAH COUNTY CONSENT
TO
PORT CITY SUBLEASE TO ALBERTINA KERR**

THIS CONSENT ("Consent") is granted by **MULTNOMAH COUNTY, OREGON**, a political subdivision of the State of Oregon ("**County**"), to **THE PORT CITY DEVELOPMENT CENTER**, an Oregon nonprofit corporation, as Sublessor ("**Port City**"), and to **ALBERTINA KERR CENTERS, INC.**, an Oregon nonprofit corporation, as Sublessee ("**Albertina Kerr**") as of the last date of signature indicated below.

RECITALS:

WHEREAS, on November 1, 2000, Port City, as Lessor, and County, as Lessee, entered into a Ground Lease Agreement ("**Ground Lease**") of certain real property acquired by Port City at 2124 N. Williams Ave., Portland, further described in Exhibit "A" attached hereto (the "**Premises**");

WHEREAS, County financed Port City's acquisition, construction, renovation, improvement and equipping of certain facilities on the Premises by issuing Revenue Bonds (the "**Bonds**");

WHEREAS, County and Port City entered into a Sublease Agreement of the Premises from County to Port City, which was amended by a First Amendment dated July 25, 2002, and a Second Amendment to Sublease dated November 29, 2007, and provided for Port City's payment of monthly rent to be used by County to repay the Bonds (the "**County Sublease**");

WHEREAS, Port City desires to sub-sublease the Premises to Albertina Kerr, and Albertina Kerr desires to sub-sublease the Premises from Port City, upon the terms and conditions set forth in a Sublease made and entered into effective as of January 31, 2013, a copy of which is attached hereto as Exhibit "B" and made a part hereof (the "**Port City Sublease**");

WHEREAS, Section 3 of the Port City Sublease requires Albertina Kerr to pay monthly rental of \$3,350 per month to Port City in advance on the first of each month;

WHEREAS, Section 10.1 of the County Sublease requires Port City to obtain County's consent to any sublease of Port City's interest in the County Sublease;

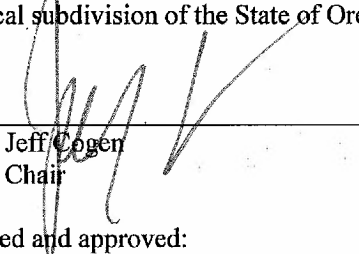
WHEREAS, Port City and Albertina Kerr have requested the County's consent to the Port City Sublease; and

WHEREAS, the material considerations for County's consent to the Port City Sublease are continued operation of the vocational training center on the Premises, which is being accomplished through the Port City Sublease and Port City's transfer of its operating agreements to Albertina Kerr, and Port City's agreement to deliver to County, in partial satisfaction of Port City's obligations under the County Sublease, the monthly rental paid by Albertina Kerr under the Port City Sublease;

NOW, **THEREFORE**, in consideration of the above recitals, which are a material part of this Consent, and in consideration of Port City's endorsement over and prompt delivery to County of each monthly rental check paid by Albertina Kerr, County hereby consents to the Port City Sublease, effective as of the date set forth below.

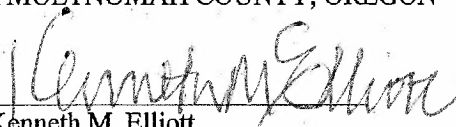
County:

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

By: 
Jeff Cogen
Chair

Reviewed and approved:

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

By: 
Kenneth M. Elliott
Assistant County Attorney

Date: March 21, 2013

Port City:

THE PORT CITY DEVELOPMENT CENTER,
an Oregon nonprofit corporation

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

Date: _____

Albertina Kerr:

ALBERTINA KERR CENTERS, INC.,
an Oregon nonprofit corporation

By: _____
Christopher J. Krenk
President & CEO

Date: _____

EXHIBIT "A"

Legal Description of the Premises

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

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

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

EXHIBIT "B"

Executed Copy of Port City Sublease

SUBLEASE

THIS SUBLEASE ("**Sublease**") is made and entered effective as of the 31st day of January, 2013, by and between The Port City Development Center, an Oregon nonprofit corporation ("**Port City**") and Albertina Kerr Centers, Inc., an Oregon nonprofit corporation ("**Albertina Kerr**").

WITNESSETH:

A. Port City, as landlord, and County of Multnomah ("**County**") entered into that certain Ground Lease Agreement dated November 1, 2000 and amended on July 25, 2002 ("**Ground Lease**"), covering and describing the premises known as 2124 N Williams Avenue, Portland, Oregon ("**Premises**"), a true and correct copy of the Ground Lease and Lease Amendment being attached hereto as Exhibits A & B and made a part hereof for all purposes.

B. County, as sublandlord, and Port City, as subtenant entered into that certain Sublease Agreement dated November 1, 2000 with a First Amendment dated July 25, 2002 and a Second Amendment dated November 29, 2007 ("**Sublease 1**"), covering and describing the **Premises**, a true and correct copy of the Sublease being attached hereto as Exhibits C, D, and E and made a part hereof for all purposes.

C. Port City desires to sub-sublease the Premises to Albertina Kerr, and Albertina Kerr desires to sub-sublease the Premises from Port City upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, Port City and Albertina Kerr hereby agree as follows:

1. **Subleased Premises.** Port City hereby subleases to Albertina Kerr, and Albertina Kerr hereby subleases from Port City, all the Premises ("**Subleased Premises**").

2. **Term.** Subject to and upon the terms and conditions hereinafter set forth, this Sublease shall be in force on a month-to-month basis ("**Sublease Term**") commencing on February 1, 2013.

3. **Base Sublease Rental.** Albertina Kerr agrees to pay to Port City as rent ("**Base Sublease Rental**") for the Subleased Premises the cash sum of \$3,350 per month. Base Sublease Rental shall be payable in advance to Port City on the first day of each calendar month throughout the Sublease Term, at the following address (or such other address as may be designated by Port City from time to time):

Terry Loerke, Treasurer
The Port City Development Center
2720 SW Corbett Avenue
Portland, OR 97201

Albertina Kerr agrees to pay all Base Sublease Rental and additional sums due under this Sublease to Port City without demand, counterclaim, or set-off.

4. **Utilities.** Albertina Kerr shall be responsible for all utilities consumed at the Subleased Premises, including, but not limited to, electricity, gas, telephone, water, sewer and trash pickup and disposal.

5. **Parking.** During the Sublease Term, Albertina Kerr shall be entitled to use and enjoy any parking rights available to County under the Ground Lease and/or Port City under Sublease 1 in addition to any additional parking rights granted pursuant to this Sublease, if any.

6. **Ground Lease.** This Sublease is subject to all the provisions, terms, covenants, and conditions of the Ground Lease and Sublease 1.

6.1 **Duties and Obligations.** Albertina Kerr assumes and agrees to perform and observe all provisions, terms, covenants, and conditions of the "tenant" under the Ground Lease and Sublease 1 as the same relate to the Subleased Premises and to Albertina Kerr's use and occupancy of the same during the Sublease Term, except as may be expressly provided to the contrary herein. Except to the extent assumed by Albertina Kerr in this Sublease, Port City agrees to fully and timely perform all of the "landlord" duties and obligations under the Ground Lease and Sublease 1;

6.2 **Entire Agreement.** Port City warrants and represents that (i) the Ground Lease and (ii) Sublease 1 represents Port City's entire agreement with the County relating to the Premises;

6.3 **Representations.** Port City advises Albertina Kerr that Port City is two (2) months in arrears on Port City's payments under Sublease 1 and the County has delivered notice to Port City that Port City is in default under the Sublease (collectively, "**Current Default**"). Port City acknowledges that (i) Port City shall be solely liable to the County for all cost and expense to the County related to the Current Default and (ii) Albertina Kerr shall have no liability associated with the Current Default. Except for the Current Default, Port City warrants and represents that Port City has received no notice, and has no actual knowledge, of (1) any default by the County or any breach by Port City of any of its obligations under the Ground Lease; and/or (2) any default by the Port City or any breach by the County of any of its obligations under Sublease 1; and

6.4 **Modification.** Port City agrees to refrain from entering into any amendment to or modification of the Ground Lease and/or Sublease 1 that would conflict with or materially limit the rights granted to Albertina Kerr by this Sublease.

7. **Repair of Subleased Premises.**

7.1 To the extent Port City has obligations as the landlord to County pursuant to the Ground Lease regarding repair, maintenance, or condition of the Subleased Premises or building, Port City agrees to use reasonable diligence to perform the same for the benefit of Albertina Kerr, when applicable;

7.2 To the extent County has obligations to Port City pursuant to Sublease 1 regarding repair, maintenance, or condition of the Subleased Premises or building, Port City

agrees to use reasonable diligence to cause the County to perform the same for the benefit of Albertina Kerr, when applicable.

7.3 Except as provided above, Albertina Kerr shall repair, maintenance, or condition of the Subleased Premises pursuant to this Sublease.

8. **Use.** Albertina Kerr agrees to use the Subleased Premises only for the purposes permitted by the Ground Lease and Sublease 1 and for no other purposes, all in accordance with applicable law.

9. **Port City's Acts.** Albertina Kerr shall not be responsible for the discharge and performance of the duties and obligations required to be performed and/or discharged by Port City and/or County in connection with the Ground Lease and/or Sublease 1 prior to the commencement of the Sublease Term. In that regard, Port City indemnifies, and agrees to defend, with counsel chosen by Albertina Kerr, and hold Albertina Kerr harmless from and against any and all loss, cost, expense, or liability (including, without limitation, attorneys' fees, accountants' fees, and court costs) resulting from any claims or causes of action existing in favor of or asserted by any party arising out of or relating to Port City's failure to perform any duties or obligations imposed on Port City under the Ground Lease and/or Sublease 1 with respect to periods beginning before the commencement of the Sublease Term, including, without implied limitation, related to the Current Default.

10. **Port City's Remedies.** Port City shall be entitled to all the rights and remedies available to Landlord under the Ground Lease following an event of default by County thereunder and to any other rights and remedies available to a landlord under applicable law. Port City shall be entitled to all the rights and remedies available to Port City under this Sublease following an event of default by Albertina Kerr. Upon any default by Albertina Kerr under this Sublease and the expiration of any and all applicable notice and cure periods, Port City, without being under any obligation to do so and without thereby waiving such default, may make such payment or remedy such other default for the account of Albertina Kerr, and thereupon Albertina Kerr agrees to and shall pay to Port City, immediately upon demand, all reasonable costs, expenses, and disbursements incurred by Port City in taking such remedial action.

11. **Default by Port City.** Any provision in this Sublease or the Ground Lease to the contrary notwithstanding, if Port City fails to perform its obligations under this Sublease and such failure (a) interferes substantially with the normal use of the Subleased Premises as allowed in this Sublease, and (b) continues for more than three (3) consecutive days, then the Base Sublease Rental shall be proportionately abated until such interference is eliminated or the Subleased Premises are otherwise rendered tenantable again. If Port City fails to perform its obligations under the Ground Lease, Sublease 1 or this Sublease and the interference resulting therefrom continues for a period of thirty (30) or more consecutive days, then Albertina Kerr shall have the right and option to cancel the Sublease by giving written notice to Port City after the end of such thirty (30) day period.

12. **Quiet Enjoyment.** Albertina Kerr shall peacefully have, hold, and enjoy the Subleased Premises, subject to the terms and conditions of this Sublease, Sublease 1 and the

Ground Lease, provided that Albertina Kerr timely and fully performs all of its covenants, duties, and obligations under this Sublease.

13. Governing Law. This Sublease shall be governed by and construed in accordance with the internal laws of Oregon, without regard to the conflicts of laws principles thereof. To the extent they may lawfully do so, Port City and Albertina Kerr agree that venue for any litigation between them related to this Sublease shall be in courts (federal or state) sitting in Multnomah County.

14. Notices. Any notice or other communication to any party required or permitted to be given under this Sublease must be in writing and shall be effectively given if hand delivered or if sent by United States Mail, postage prepaid, certified or registered, return receipt requested, to the following addresses:

If to Port City:

Terry Loerke, Treasurer
The Port City Development Center
2720 SW Corbett Avenue
Portland, OR 97201

If to Albertina Kerr:

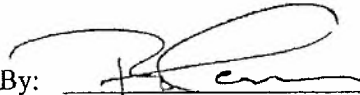
Chris Krenk, President and CEO
Albertina Kerr Centers
424 NE 22nd Avenue
Portland, OR 97232

Any notice mailed shall be deemed to have been given on the second (2nd) business day following the date of deposit of such item in a depository of the United States Postal Service. Notice effected by hand delivery or facsimile shall be deemed to have been given at the time of actual delivery. Any party shall have the right to change its address to which notices shall thereafter be sent by giving the other parties notice thereof.

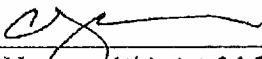
15. Successors and Assigns. This Sublease shall be binding upon and shall inure to the benefit of Port City, Albertina Kerr and their respective successors and assigns.

EXECUTED on the day and date first written above.

PORT CITY:

By: 
Printed Name: Terry Loenke
Title: Board Member

ALBERTINA KERR:

By: 
Printed Name: CHRISTOPHER J. KRENKE
Title: President + CEO

TERMINATION OF GROUND LEASE AGREEMENT

This Termination of Ground Lease Agreement (this "Termination"), is made and entered into as of the 21st day of March, 2013 by and between **The Port City Development Center**, an Oregon not for profit corporation, as Ground Lessor ("Port City"), and **Multnomah County, Oregon**, a political subdivision of the State of Oregon, as Ground Lessee ("County").

RECITALS:

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

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

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

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

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

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

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

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

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

AGREEMENTS:

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

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

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

Port City:

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

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

County:

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

By: _____
Jeff Cogen
Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON


By: 
Kenneth M. Elliott
Assistant County Attorney

EXHIBIT "A"

Legal Description of the Premises

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

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

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

TERMINATION OF SUBLEASE AGREEMENT

This Termination of Sublease Agreement (this "Termination"), is made and entered into as of the 21st day of March, 2013 by and between **Multnomah County, Oregon**, a political subdivision of the State of Oregon, as Sublessor ("County"), and **The Port City Development Center**, an Oregon not for profit corporation, as Sublessee ("Port City").

RECITALS:

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

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

WHEREAS, on July 25, 2002, County and Port City amended and supplemented the Ground Lease and the Sublease;

WHEREAS, on November 29, 2007, County and Port City entered into a Second Amendment to Sublease;

WHEREAS, both amendments to the Sublease reduced the required monthly Rental Amounts and extended the Sublease Term for Port City's full payment of the Rental Amounts. Despite such accommodations, Port City has not been able to keep current on payment of monthly Rental Amounts;

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

WHEREAS, Section 11.2 (e) of the Sublease, as amended by the Second Amendment, granted Port City, in the event of a Sublease Default for non-payment of rent and for so long as Port City remained in full compliance with all other terms of the Sublease, the right to sell the Premises on or before one year from the date set forth in the notice of Sublease Default and to occupy the Premises for the uses permitted by the Sublease pending the sale.

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

WHEREAS, a material consideration for County's release of Port City from its full payment of the Rental Amounts is continued operation of the vocational training center on the Premises, through Port City's transfer of its operating agreements to another qualified vocational services provider;

WHEREAS, during the term of the Sublease, County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Premises, and is prepared to accept title to secure repayment of the Bonds and therefore "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120; and

WHEREAS, County and Port City desire to terminate the Sublease, in accordance with the terms and conditions set forth in this Termination;

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

AGREEMENTS:

- 1. Terms Defined in the Sublease.** Except as modified herein, or unless the context shall clearly indicate some other meaning, all words and terms used in this Termination that are defined in the Sublease shall, for all purposes of this Termination, have the respective meanings given to them in the Sublease.
- 2. Waiver of Port City's Right to Sell the Premises.** Port City hereby waives its right, as provided in Section 11.2 (e) of the Sublease, to sell the Premises on or before one year from the date set forth in the notice of Sublease Default and to occupy the Premises for the uses permitted by the Sublease Agreement pending the sale.
- 3. Transfer of Port City Operating Agreements.** Effective upon execution of this Termination, Port City shall transfer its operating agreements to another qualified vocational services provider, to assure uninterrupted continuation of the vocational training services on the Premises serving developmentally disabled Multnomah County residents.
- 4. Port City's Conveyance of the Premises to County.** Effective upon execution of this Termination, Port City shall execute and deliver a statutory bargain and sale deed, in the form attached hereto as Exhibit "B," conveying ownership of the Premises to County, provided, however, that County acknowledges certain environmental and land use restrictions, listed as Permitted Encumbrances in Exhibit "C" attached hereto, encumber title to the Premises and will not be removed as part of Port City's conveyance.
- 5. County's Title.** The parties agree and acknowledge that County's intent in accepting Port City's conveyance of title is to secure proceeds to reimburse County's repayment of the Bonds and is, therefore, "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.

6. **Relinquishment of Premises.** Effective upon Port City's delivery of its statutory bargain and sale deed to County, Port City shall relinquish possession of the Premises to County and shall remove Port City's personal property from the Premises, except for any equipment, fixtures, supplies and records needed for continuation of the vocational training services on the Premises.

7. **Termination of Sublease Agreement.** Effective upon Port City's performance of its obligations set forth in Paragraphs 3, 4 and 5, the Sublease shall be terminated and Port City shall be released of all claims and liabilities to County, its successors and assigns, relating to the Premises, the Rental Amounts and the bonded indebtedness. All decisions of County relating to the Premises after execution of this Termination, including entry into a replacement lease with another qualified vocational services provider, the level of maintenance of the Premises, or disposition of the Premises or conversion of the Premises to another use, shall be made by County in County's absolute and unfettered discretion.

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

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

County:

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

By: _____
Jeff Cogen
Chair

REVIEWED:

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

By: _____

Kenneth M. Elliott
Assistant County Attorney

Port City:

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

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

EXHIBIT "A"

Legal Description of the Premises

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

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

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

EXHIBIT "B"

Bargain & Sale Deed for Port City's Conveyance of the Premises

TERMINATION OF SUBLEASE AGREEMENT

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

RECITALS:

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

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

WHEREAS, on July 25, 2002, County and Port City amended and supplemented the Ground Lease and the Sublease;

WHEREAS, on November 29, 2007, County and Port City entered into a Second Amendment to Sublease;

WHEREAS, both amendments to the Sublease reduced the required monthly Rental Amounts and extended the Sublease Term for Port City's full payment of the Rental Amounts. Despite such accommodations, Port City has not been able to keep current on payment of monthly Rental Amounts;

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

WHEREAS, Section 11.2 (e) of the Sublease, as amended by the Second Amendment, granted Port City, in the event of a Sublease Default for non-payment of rent and for so long as Port City remained in full compliance with all other terms of the Sublease, the right to sell the Premises on or before one year from the date set forth in the notice of Sublease Default and to occupy the Premises for the uses permitted by the Sublease pending the sale.

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

WHEREAS, a material consideration for County's release of Port City from its full payment of the Rental Amounts is continued operation of the vocational training center on the Premises, through Port City's transfer of its operating agreements to another qualified vocational services provider;

WHEREAS, during the term of the Sublease, County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Premises, and is prepared to accept title to secure repayment of the Bonds and therefore "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120; and

WHEREAS, County and Port City desire to terminate the Sublease, in accordance with the terms and conditions set forth in this Termination;

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

AGREEMENTS:

- 1. Terms Defined in the Sublease.** Except as modified herein, or unless the context shall clearly indicate some other meaning, all words and terms used in this Termination that are defined in the Sublease shall, for all purposes of this Termination, have the respective meanings given to them in the Sublease.
- 2. Waiver of Port City's Right to Sell the Premises.** Port City hereby waives its right, as provided in Section 11.2 (e) of the Sublease, to sell the Premises on or before one year from the date set forth in the notice of Sublease Default and to occupy the Premises for the uses permitted by the Sublease Agreement pending the sale.
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- 5. County's Title.** The parties agree and acknowledge that County's intent in accepting Port City's conveyance of title is to secure proceeds to reimburse County's repayment of the Bonds and is, therefore, "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.

6. Relinquishment of Premises. Effective upon Port City's delivery of its statutory bargain and sale deed to County, Port City shall relinquish possession of the Premises to County and shall remove Port City's personal property from the Premises, except for any equipment, fixtures, supplies and records needed for continuation of the vocational training services on the Premises.

7. Termination of Sublease Agreement. Effective upon Port City's performance of its obligations set forth in Paragraphs 3, 4 and 5, the Sublease shall be terminated and Port City shall be released of all claims and liabilities to County, its successors and assigns, relating to the Premises, the Rental Amounts and the bonded indebtedness. All decisions of County relating to the Premises after execution of this Termination, including entry into a replacement lease with another qualified vocational services provider, the level of maintenance of the Premises, or disposition of the Premises or conversion of the Premises to another use, shall be made by County in County's absolute and unfettered discretion.

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

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

County:

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

By: _____
Jeff Cogen
Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: _____
Kenneth M. Elliott
Assistant County Attorney

Port City:

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

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

EXHIBIT "A"

Legal Description of the Premises

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

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

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

EXHIBIT "B"

Bargain & Sale Deed for Port City's Conveyance of the Premises

After recording return to:
Office of County Attorney (KME)
Multnomah County
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

**Until a change is requested, all
tax statements shall be sent to:**
Multnomah County
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

STATUTORY BARGAIN AND SALE DEED
(Statutory Form)

THE PORT CITY DEVELOPMENT CENTER, an Oregon not for profit corporation ("GRANTOR"), conveys to **MULTNOMAH COUNTY**, a political subdivision of the State of Oregon ("GRANTEE"), the real property described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), subject to the Permitted Encumbrances to Title listed in Exhibit "B," attached hereto.

The true and actual consideration for this conveyance is discharge and satisfaction of Grantor's Rental Amounts of \$1,557,300, as of January 31, 2013, due and payable to reimburse Grantee's financing of Grantor's acquisition and improvement of the Property, and also consists of other valuable consideration, which is part of the consideration. As required by ORS 93.040, notice is given that:

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. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, 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.

DATED this ____ day of March, 2013.

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

By: _____
(Name) _____
President of the Board

STATUTORY BARGAIN AND SALE DEED

STATE OF OREGON)
) ss.
County of Multnomah)

On March ____, 2013, personally appeared _____, who, being duly sworn, did say that s/he is the **President of the Board of THE PORT CITY DEVELOPMENT CENTER**, an Oregon not for profit corporation, and that the foregoing instrument was signed on behalf of said corporation; and s/he acknowledged the instrument to be its voluntary act and deed.

NOTARY PUBLIC FOR OREGON

My Commission expires: _____

**ACCEPTANCE OF CONVEYANCE OF TITLE TO REAL PROPERTY
TO MULTNOMAH COUNTY, OREGON**

The attached Bargain and Sale Deed, dated March ____, 2013, from **THE PORT CITY DEVELOPMENT CENTER**, an Oregon not for profit corporation, **Grantor**, conveying, without representations or warranties of any kind, the real property further described in Exhibit "A" attached hereto, in the County of Multnomah and State of Oregon, to **MULTNOMAH COUNTY**, a political subdivision of the State of Oregon, **Grantee**; IS ACCEPTED by Multnomah County, Oregon, acting by and through the Chair of the Multnomah County Board of Commissioners, pursuant to Resolution No. _____, duly adopted by the County Board of Commissioners at a regularly scheduled meeting of the County Board on March ____, 2013.

Dated this ____ day of _____, 2013.

By: _____
Jeff Cogen, County Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: _____
Kenneth M. Elliott
Assistant County Attorney

EXHIBIT "A"

Legal Description of the Property

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

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

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

EXHIBIT "B"

Permitted Encumbrances

1. Taxes, a lien not yet payable.
2. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Planning and Zoning Code Variance No. VZ 97-70
Recorded : June 02, 1970
Book : 735
Page : 1748
3. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Ordinance No.: 148384
Recorded : September 14, 1979
Book : 1382
Page : 2665
4. Environmental Notice, including the terms and provisions thereof:
Regarding : Environmental soil contamination
Between : State of Oregon Department of Environmental Quality (DEQ)
Recorded : January 14, 1998
Fee No. : 98005402
5. Prospective Purchaser Agreement, including the terms and provisions thereof:
Regarding : Soil contamination by hazardous substances
Between : Oregon Department of Environmental Quality (DEQ)
And : Port City Development Center
Recorded : October 08, 1998
Fee No. : 98181538
6. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Ordinance No.: 99-00322 CU DZ AD
Recorded : October 11, 1999
Fee No. : 99188651

EXHIBIT "C"

Permitted Encumbrances to Title

Permitted Encumbrances

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Planning and Zoning Code Variance No. VZ 97-70
Recorded : June 02, 1970
Book : 735
Page : 1748
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And : Port City Development Center
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Ordinance No.: 99-00322 CU DZ AD
Recorded : October 11, 1999
Fee No. : 99188651

After recording return to:
Office of County Attorney (KME)
Multnomah County
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

**Until a change is requested, all
tax statements shall be sent to:**
Multnomah County
501 SE Hawthorne Blvd., Suite 500
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THE PORT CITY DEVELOPMENT CENTER, an Oregon not for profit corporation ("GRANTOR"), conveys to **MULTNOMAH COUNTY**, a political subdivision of the State of Oregon ("GRANTEE"), the real property described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"), subject to the Permitted Encumbrances to Title listed in Exhibit "B," attached hereto.

The true and actual consideration for this conveyance is discharge and satisfaction of Grantor's Rental Amounts of \$1,557,300, as of January 31, 2013, due and payable to reimburse Grantee's financing of Grantor's acquisition and improvement of the Property, and also consists of other valuable consideration, which is part of the consideration. As required by ORS 93.040, notice is given that:

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. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, 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.

DATED this ____ day of March, 2013.

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

By: _____

(Name) _____

President of the Board

STATE OF OREGON)
) ss.
County of Multnomah)

On March ____, 2013, personally appeared _____, who, being duly sworn, did say that s/he is the **President of the Board** of **THE PORT CITY DEVELOPMENT CENTER**, an Oregon not for profit corporation, and that the foregoing instrument was signed on behalf of said corporation; and s/he acknowledged the instrument to be its voluntary act and deed.

NOTARY PUBLIC FOR OREGON
My Commission expires: _____

**ACCEPTANCE OF CONVEYANCE OF TITLE TO REAL PROPERTY
TO MULTNOMAH COUNTY, OREGON**

The attached Bargain and Sale Deed, dated March ____, 2013, from **THE PORT CITY DEVELOPMENT CENTER**, an Oregon not for profit corporation, **Grantor**, conveying, without representations or warranties of any kind, the real property further described in Exhibit "A" attached hereto, in the County of Multnomah and State of Oregon, to **MULTNOMAH COUNTY**, a political subdivision of the State of Oregon, **Grantee**; IS ACCEPTED by Multnomah County, Oregon, acting by and through the Chair of the Multnomah County Board of Commissioners, pursuant to Resolution No. 2013-029, duly adopted by the County Board of Commissioners at a regularly scheduled meeting of the County Board on March 21, 2013.

Dated this ____ day of _____, 2013.

By: _____
Jeff Cogen, County Chair

REVIEWED:
JENNY M. MORF, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: Kenneth M. Elliott
Kenneth M. Elliott
Assistant County Attorney

EXHIBIT "A"

Legal Description of the Property

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

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

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

EXHIBIT "B"

Permitted Encumbrances

1. Taxes, a lien not yet payable.
2. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Planning and Zoning Code Variance No. VZ 97-70
Recorded : June 02, 1970
Book : 735
Page : 1748
3. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Ordinance No.: 148384
Recorded : September 14, 1979
Book : 1382
Page : 2665
4. Environmental Notice, including the terms and provisions thereof:
Regarding : Environmental soil contamination
Between : State of Oregon Department of Environmental Quality (DEQ)
Recorded : January 14, 1998
Fee No. : 98005402
5. Prospective Purchaser Agreement, including the terms and provisions thereof:
Regarding : Soil contamination by hazardous substances
Between : Oregon Department of Environmental Quality (DEQ)
And : Port City Development Center
Recorded : October 08, 1998
Fee No. : 98181538
6. Conditions and Restrictions, including the terms and provisions thereof, established by City of Portland:
Ordinance No.: 99-00322 CU DZ AD
Recorded : October 11, 1999
Fee No. : 99188651

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2013-059

Approving a Lease of Real Property to Albertina Kerr Centers, Inc. for Property Located at 2124 N. Williams Ave., Portland, Oregon, and Authorizing County Chair to Execute Appropriate Documents to Complete the Transaction.

The Multnomah County Board of Commissioners Finds:

- a. The former Port City property ("Property"), located at 2124 N. Williams, Portland, Oregon, is a vocational training center for developmentally disabled County residents located on approximately 1.15 acres.
- b. Port City conveyed the Property to the County on April 11, 2013, in satisfaction of Port City's financial obligation to the County, under the terms of Resolution 2013-029, dated March 21, 2013. The County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Property, and accepted title "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.
- c. A material consideration for release of Port City from its full payment obligation was continued operation of the vocational training center on the Property, through Port City's transfer of its operating agreement to another qualified vocational services provider. The County now wishes to lease the Property directly to Albertina Kerr Centers, Inc. to provide continued use of the Property for such vocational training.
- d. It is in the best interests of the County to lease the Property on the terms and conditions set forth in the attached lease.

The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to execute a Lease substantially in conformance with the attached Lease.
2. The County Chair is authorized to execute renewals of the lease and execute amendments to the lease without further Board action.

ADOPTED this 16th day of May, 2013.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

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

By 
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Sherry J. Swackhammer, Director, Dept. of County Assets.

LEASE

Date: May 16, 2013 ("Effective Date")

Between: Multnomah County, Oregon ("Landlord")
Facilities and Property Management
Attn: Asset Management-Leases
401 N. Dixon Street
Portland, OR 97227
Phone: (503) 988-3322
FAX: (503) 988-5082

And: Albertina Kerr Centers, Inc. ("Tenant")
424 N.E. 22nd Avenue
Portland, OR 97232
Phone: (503) 239-8101
FAX: (503) 239-8106

RECITALS

- A. **WHEREAS**, on November 7, 2000, Landlord issued its \$2,000,000 Motor Vehicle Rental Tax Revenue Bonds, Series 2000A (501(c)(3)) (the "Bonds") to finance the construction, renovation, improvement and equipping of certain facilities on real property acquired by Port City at 2124 N. Williams Ave., Portland, further described in Sub-Section 1.4 of this agreement (the "Premises"), for use as a vocational training center subleased and operated by The Port City Development Center, an Oregon non-profit corporation ("Port City");
- B. **WHEREAS**, on November 1, 2000, Landlord and Port City entered into a Ground Lease Agreement ("Ground Lease") of the Premises from Port City to Landlord, and a Sublease Agreement, of the Premises from Landlord to Port City, providing for Port City's payment of monthly rent to be used by Landlord to repay the Bonds (the "Sublease");
- C. **WHEREAS**, by letter dated January 9, 2013, Landlord provided Port City written notice of a Sublease Default in accordance with Section 11.1(a) of the Sublease;
- D. **WHEREAS**, Section 11.2 (e) of the Sublease, as amended by the Second Amendment, granted Port City, in the event of a Sublease Default for non-payment of rent and for so long as Port City remained in full compliance with all other terms of the Sublease, the right to sell the Premises on or before one year from the date set forth in the notice of Sublease Default and to occupy the Premises for the uses permitted by the Sublease pending the sale;
- E. **WHEREAS**, Port City notified Landlord of Port City's intent to discontinue its use of the Premises, its intent not to continue to occupy the Premises after February 1, 2013, or attempt to sell the Premises, and its willingness to convey its right, title and interest in and to the Premises to Landlord, in full satisfaction of its obligation to pay the total Rental Amounts required by the Sublease;

- F. **WHEREAS**, a material consideration for Landlord's release of Port City from its full payment of the Rental Amounts is continued operation of the vocational training center on the Premises, through Port City's transfer of its operating agreements to another qualified vocational services provider;
- G. **WHEREAS**, in accordance with Section 10.1 of the Sublease, Port City requested Landlord's consent to Port City's sublease of its interest in the Sublease to Tenant and Landlord consented to such sublease effective February 1, 2013, on a month-to-month basis;
- H. **WHEREAS**, during the term of the Sublease, Landlord did not "participate in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Premises, and has now accepted title to the Premises to secure repayment of the Bonds and therefore "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120; and
- I. **WHEREAS**, Landlord now wishes to lease the Premises directly to Tenant, and Tenant wishes to lease the Premises directly from Landlord;

NOW, THEREFORE, in consideration of the above recitals, which are a material part of this agreement, and the mutual covenants and agreements set forth herein, Landlord leases to Tenant and Tenant leases from Landlord the PPremises on the terms and conditions stated below (the "Lease"):

Section 1. Occupancy

- 1.1 **Original Term.** The term of the Lease shall commence on the Effective Date and continue through **June 30, 2014**, unless sooner terminated as hereinafter provided.
- 1.2 **Possession.** Tenant's right to possession and obligations under the Lease shall commence upon full execution of the Lease.
- 1.3 **Renewal Option.** If Tenant is not in default at the time the option is exercised or at the time the renewal term is to commence, Tenant shall have the option to renew the Lease for TWO (2) terms of ONE (1) year, as follows:
- (1) The renewal term shall commence on the day following expiration of the preceding term.
 - (2) The option shall be exercised, if at all, by written notice to Landlord given not less than ninety (90) days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the Lease binding for the renewal term without further act of the parties.
 - (3) The terms and conditions of the Lease for each renewal term shall be identical with the original term except for rent and except that, in the final renewal term, Tenant will no longer have any option to renew the Lease.
- 1.4 **The Premises.** The Premises commonly known as the "PORT CITY DEVELOPMENT CENTER", which is located at 2124 N. Williams Avenue, Portland, Oregon 97227; as more particularly shown on the attached Exhibit "A".
- 1.5 **Condition of the Premises.** By acceptance of possession of the Premises hereunder, Tenant acknowledges that Tenant accepts the Premises "AS-IS, 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 that may be made thereof and that the area of the Premises is as set forth above in the Premises description.

Section 2. Rent.

- 2.1 Base Rent.** During the original term, Tenant shall pay to Landlord as **Base Rent the sum of \$3,350.00 per month** which reflects the costs realized by Landlord to ready the Premises for Tenant along with estimated maintenance costs during the Primary term of the Lease. Rent shall be payable in advance on the first day of each month at the address for Landlord first above stated or at such place as may be designated by Landlord.

Section 3. Use of the Premises.

- 3.1 Permitted Use.** The Premises shall be used as a center for vocational training of developmentally disabled residents of Multnomah County. The Premises shall be used for no other purpose without the consent of Landlord, which may be refused or granted in Landlord's sole discretion.

- 3.2 Restrictions on Use.** In connection with the use of the Premises, Tenant shall:

- (1) Conform to all applicable laws and regulations of any public authority affecting the Premises and the use, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's use, but Tenant shall not be required to make any structural changes to effect such compliance.
- (2) Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent Landlord from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successor, allowing Landlord to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional cost of the insurance.
- (3) Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the Premises.
- (4) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect.
- (5) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the Premises without the written consent of Landlord, which shall not be unreasonably withheld.

- 3.3 Hazardous Substances.** Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the permitted use specified in Section 3.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous

Substances used, handled, or stored on the Premises. Upon the expiration or termination of the Lease, Tenant shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

- 3.4 Easement & Equitable Servitude.** Landlord's predecessor-in-interest, Port City, negotiated and executed with the Oregon Department of Environmental Quality ("DEQ") an Easement & Equitable Servitude, recorded May 24, 2005 (the "E&ES"), and DEQ subsequently issued a Conditional No Further Action letter to Port City dated July 5, 2005. The E&ES requires the owner or occupant of the Premises to notify DEQ and obtain its approval prior to disturbing the soils beneath the capped concrete floor. As the occupant of the Premises under the Lease, Tenant shall comply with this requirement in the E&ES.

Section 4. Repairs and Maintenance

- 4.1 Maintenance and Repair of Premises.** Responsibilities for repair and maintenance of the Premises shall be as follows:

- (1) Landlord shall perform all necessary maintenance and repair as determined necessary in Landlord's sole discretion to the structure, foundation, exterior walls, and roof, of the Building.
- (2) Landlord shall maintain, repair or replace the heating, air conditioning, plumbing, electrical, and lighting systems in the premises as determined necessary in Landlord's sole discretion.
- (3) Tenant expressly waives the benefits of any statute now or later in effect that would otherwise give Tenant the right to make repairs at Landlord's expense and deduct that cost from Rent owing to Landlord.
- (4) Landlord shall have no liability for failure to perform required maintenance and repair unless written notice of such maintenance or repair is given by Tenant or if Landlord fails to commence efforts to remedy the problem in a reasonable time and manner.

- 4.2 Tenant's Obligations.** The following shall be the responsibility of Tenant:

- (1) Any repairs necessitated by the negligence of Tenant, its agents, employees, and invitees, except as provided in Section 6.4 dealing with waiver of subrogation, but including repairs that would otherwise be the responsibility of Landlord under Section 4.1.
- (2) Any repairs or alterations required under Tenant's obligation to comply with laws and regulations as set forth in Section 3.2.1.
- (3) Tenant shall take good care of the Premises and shall be responsible for all repairs that Landlord is not required to make under Section 4.1, including, but not limited to, repair and/or replacement of windows and doors and any repair and/or replacement necessary to mitigate Tenant's ordinary wear and tear of the Premises, and all other

repairs of the Premises. Tenant shall also be responsible for maintenance and repair of all out buildings and garden areas.

4.3 Landlord's Interference with Tenant. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, Landlord shall not cause unreasonable interference with use of the Premises by Tenant. Tenant shall have neither right to an abatement of rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with the requirement of this provision.

4.4 Inspection of Premises. Landlord shall have the right to inspect the Premises at any reasonable time or times to determine the necessity of repair. Whether or not such inspection is made, the duty of Landlord to make repairs shall not mature until a reasonable time after Landlord has received from Tenant written notice of the repairs that are required.

Section 5. Alterations

5.1 No Alterations Required. Tenant has inspected the Premises to its satisfaction and accepts the Premises 'AS-IS, WHERE IS,' accepts the environmental remediation now completed by Landlord, and has determined no further improvements or alterations are necessary prior to Tenant's occupancy.

5.2 Future Alterations. Tenant shall make no improvements or alterations on the Premises of any kind without first obtaining Landlord's written consent. If Landlord in its sole discretion approves any proposed alterations, all such approved alterations shall be made in a good and workmanlike manner, and in compliance with all applicable laws, building codes and the E&ES. Landlord reserves the right to perform work associated under this section, and Tenant shall reimburse Landlord for such work within thirty (30) days after receipt of invoice from the Landlord.

5.3 Ownership and Removal of Alterations. All improvements and alterations performed on the Premises by either Landlord or Tenant shall be the property of Landlord when installed, unless the applicable Landlord's consent or work sheet specifically provides otherwise. Improvements and alterations installed by Tenant shall, at Landlord's option, be removed by Tenant and the Premises restored unless the applicable Landlord's consent or work sheet specifically provides otherwise.

Section 6. Insurance

6.1 Fire Insurance. Tenant shall bear the expense of any insurance insuring the property of Tenant on the Premises against fire and other risks covered by standard fire insurance policy with an endorsement for extended coverage.

6.2 Liability Insurance. Before going into possession of the Premises, Tenant shall procure and thereafter during the term of the Lease shall continue to carry the following insurance at Tenant's cost: commercial general liability policy (occurrence version) in a responsible company with coverage for bodily injury and property damage liability, personal and advertising injury liability, and medical payment with a general aggregate limit of not less than \$4,000,000 and a per occurrence limit of not less than \$2,000,000. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the Premises whether or not related to an occurrence caused or contributed to by Landlord's negligence. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under Section 10.2, and shall name Landlord as an additional insured.

6.3 Insurance Documentation. A certificate evidencing such insurance and bearing endorsements requiring thirty (30) days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the property.

6.4 Waiver of Subrogation. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

Section 7. Taxes.

7.1 Property Taxes. Tenant shall pay as due all taxes on its personal property located on the Premises. Tenant shall, upon invoice from Landlord, reimburse Landlord for all real property taxes levied against the Premises. As used herein, real property taxes include any fee or charge relating to the ownership, use or rental of the Premises, other than taxes on net income of Landlord. If Tenant has a tax exempt status, it shall be Tenant's sole responsibility to file for Property Tax exemption for the leased Premises within thirty (30) days from commencement of the Lease. Failure to file shall result in penalty up to and including full charge for Property Taxes assessed to the Premises.

7.1 Special Assessments. If an assessment for a public improvement is made against the Premises, Landlord may elect to cause such assessment to be paid in the maximum number of installments allowed by law, in which case all of the installments payable with respect to the lease term shall be treated the same as general real property taxes for purposes of Section 7.1.

7.2 Contest of Taxes. Tenant shall be permitted to contest the amount of any tax of assessment as long as such contest is conducted in a manner that does not cause any risk that Landlord's interest in the Premises will be foreclosed for nonpayment. Landlord shall cooperate in any reasonable manner with such contest by Tenant.

7.3 Proration of Taxes. Tenant's share of real property taxes and assessments for the years in which the Lease commences or terminates shall be prorated based on the portion of the tax year that the Lease is in effect.

Section 8. Services and Utilities.

8.1 Tenant Responsibilities. Tenant will cause the following utilities and services to be furnished to the Premises: Water; Sewer; Electricity; Gas; Janitorial Services; Trash Pickup and Disposal; Window Washing (exterior); Window Washing (interior), and Telephone Service. In no event shall Tenant overload the electrical circuits from which Tenant obtains current. Tenant shall also be responsible for any and all security measures and access controls related to the Premises.

8.2 Recycling Materials. Tenant shall support the policy for recycling materials as provided in ORS 227.450 to the extent possible by providing adequate collection areas and storage facilities for office recycling programs when recycling services are available.

Section 9. Damage and Destruction

- 9.1 Partial Damage.** If the Premises are partly or wholly damaged, repair or restoration is at the Landlord's sole discretion. If the Landlord elects not to repair or restore, the Lease will terminate as of the date of the damage or destruction by notice given by the Landlord to the Tenant in writing no more than forty-five (45) days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the upcoming term.
- 9.2 Rent Abatement.** Rent shall be abated during the repair of any damage to the extent the Premises are untenantable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant.

Section 10. Liens and Indemnity

10.1 Liens

- (1) Except with respect to activities for which Landlord is responsible, Tenant shall pay as due all claims for work done on and for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, Landlord may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of eight percent (8%) per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.
- (2) Tenant may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as Landlord's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within ten (10) days after knowledge of the filing, secure the discharge of the lien or deposit with Landlord cash or sufficient corporate surety bond or other surety satisfactory to landlord in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

- 10.2 Indemnification.** Tenant shall hold harmless, defend and indemnify Landlord from any claim, loss, expense, action or liability arising out of or related to any activity or omission of Tenant on the Premises or any condition of the Premises in the possession or under the control of Tenant. Landlord shall have no liability to Tenant for any injury, loss, or damage, caused by third parties, or by any condition of the Premises except to the extent caused by Landlord's negligence under the Lease.

Section 11. Quiet Enjoyment. Landlord warrants that it is the owner of the Premises and has the right to lease them. Tenant shall peacefully have, hold, and enjoy the Premises, subject to the terms and conditions of the Lease, provided that Tenant timely and fully performs all of its covenants, duties, and obligations under the Lease.

Section 12. Assignment and Subletting. No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the Premises be conferred on any third person by any other means, without Landlord's prior, written consent, which may be granted, conditioned or denied at Landlord's sole discretion.

Section 13. Default. The following shall be events of default:

- 13.1 Default in Rent.** Failure of Tenant to pay rent or any other charge within ten (10) days after written notice that it is due.
- 13.2 Default in Other Covenants.** Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within twenty (20) days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the twenty (20) day period, this provision shall be complied with if Tenant begins correction of the default within the twenty (20) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
- 13.3 Insolvency.** Insolvency of Tenant; an assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within ten (10) days shall constitute a default. If the Lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Tenant under the Lease.

Section 14. Remedies on Default. In the event of default by Tenant, the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated at the election of Landlord, Landlord shall be entitled to pursue any remedies available to Landlord under applicable law.

Section 15. Surrender at Expiration

- 15.1 Condition of Premises.** Upon expiration of the Lease term or earlier termination as provided herein, Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition and broom clean. Alterations constructed by Tenant with permission from Landlord shall not be removed or restored to the original condition unless the terms of permission for the alteration so require. Depreciation and wear from ordinary use for the purpose for which the Premises are leased shall be excepted, but repairs for which Tenant is responsible shall be completed to the latest practical date prior to such surrender. Tenant's obligations under this section shall be subordinate to the provisions of Section 9 relating to destruction.

15.2 Fixtures

- (1) All fixtures placed upon the Premises during the term, other than Tenant's trade fixtures, shall, at Landlord's option, become the property of Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure. Tenant shall be allowed to use furnishings and fixtures within the Premises at the time the Lease is executed. Landlord shall not be responsible for the repair and/or replacement of any of the items Tenant chooses to use. Landlord's furnishings and fixtures shall remain Landlord's property at the expiration of the Lease.
- (2) Prior to expiration or other termination of the lease term Tenant shall remove all furnishings, furniture and trade fixtures that remain its property. If Tenant fails to do

so, this shall be an abandonment of the property, and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within twenty (20) days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove, Landlord may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to Landlord for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Landlord.

15.3 Holdover

- (1) If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of the Lease except the provisions for term and renewal and rental rate, which Landlord may increase commensurate with increases in operating and maintenance expenses for the Premises. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures that Tenant is required to remove under the Lease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.
- (2) If a month to month tenancy results from a holdover by Tenant under this Section 15.3, the tenancy shall be terminable at the end of any monthly rental period on written notice from Landlord given not less than ten (10) days prior to the termination, which shall be specified in the notice. Tenant waives any notice that would otherwise be provided by law with respect to a month to month tenancy.

Section 16. Miscellaneous

- 16.1 Nonwaiver.** Waiver by either party of strict performance of any provision of the Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- 16.2 Notices.** Any notice required or permitted under the Lease shall be given when actually delivered or forty-eight (48) hours after deposited in United States mail as certified mail addressed to the address first given in the Lease or to such other address as may be specified from time to time by either of the parties in writing.
- 16.3 Succession.** Subject to the above-stated limitations on transfer of Tenant's interest, the Lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.
- 16.4 Entry for Inspection and Marketing.** Landlord shall, subject to the provisions of Section 4.3, have the right to enter upon the Premises at any time to determine Tenant's compliance with the Lease, to make necessary repairs to the Premises or, following forty-eight (48) hours' advance notice to Tenant, to show the Premises to any prospective purchaser. In addition, Landlord shall have the right, at any time during the term of the Lease, to place and maintain upon the Premises notices for selling of the Premises.
- 16.5 Interest on Rent and Other Charges.** Any rent or other payment required of Tenant by the Lease shall, if not paid within ten (10) days after it is due, bear interest at the rate of eight percent (8%) per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid.

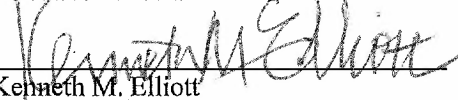
- 16.6 Proration of Rent.** In the event of commencement or termination of the Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Tenant or paid on its account.
- 16.7 Time of Essence.** Time is of the essence of the performance of each of Tenant's obligations under the Lease.
- 16.8 Early Termination.** Landlord or Tenant may terminate the Lease for any reason with minimum ninety (90) day written notice to the other party.
- 16.9 Entire Agreement, Amendments.** The Lease represents the entire agreement between the parties with respect to Landlord's lease of the Premises to Tenant. All amendments and modifications to the Lease must be in writing and signed by both parties.
- 16.10 Governing Law Venue, Consent to Jurisdiction.** The Lease shall be governed by Oregon law, without regard to principles of conflicts of law. Any action or suit to enforce or construe any provision of the Lease by either party must be brought in the Circuit Court of the State of Oregon for Multnomah County or, if the action or suit must be brought in a federal forum, the United States District Court for the District of Oregon in Portland, Oregon. Each party, by execution of the Lease, hereby consents to the in personam jurisdiction of said courts.

IN WITNESS HEREOF, the duly authorized representatives of the parties have executed the Lease effective as of the Effective Date.

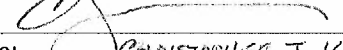
LANDLORD:
Multnomah County,
An Oregon political subdivision

By: 
Jeff Cogen, Chair
Title:
Reviewed By:

JENNY M. MORE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY


Kenneth M. Elliott
Assistant County Attorney
Date: May 16, 2013

TENANT:
Albertina Kerr Centers, Inc.
An Oregon non-profit corporation

By: 
Name: CHRISTOPHER J. IUPENIK, CEO
ALBERTINA KERR CENTERS

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2013-060

Declaring the Former Port City Property, 2124 N. Williams, Portland, Oregon, as Surplus Property and Authorizing Facilities and Property Management Division to Commence the Surplus Property Process.

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 04-185 dated December 9, 2004, the Multnomah County Board of Commissioners adopted a policy for declaring real property owned by the County as surplus ("Surplus Property Process").
- b. The Former Port City Property ("Property"), located at 2124 N. Williams, Portland, Oregon, is a vocational training center for developmentally disabled County residents located on approximately 1.15 acres.
- c. Port City conveyed the Property to the County on April 11, 2013, in satisfaction of Port City's financial obligation to the County, under the terms of Resolution 2013-029, dated March 21, 2013. The County has not "participate[d] in the management of a facility" as that phrase is used and defined in Oregon Revised Statutes (ORS) 465.200 et seq. and Oregon Administrative Rules (OAR) 340-122-120 concerning the Property, and accepted title "primarily to protect a security interest" as that phrase is used and defined in ORS 465.200 et seq. and OAR 340-122-120.
- d. Under separate Resolution this day, the Board approved a lease with Albertina Kerr Centers, Inc., the terms of which authorize the County's marketing and eventual disposition of the Property.
- e. The Director of Facilities and Property Management Division ("Director") has determined that the Property is not required for County use. The County has no practical, efficient, or appropriate use for the Property, and will have no use for the Property in the near future. The Director recommends that the Property be declared surplus.

The Multnomah County Board of Commissioners Resolves:

1. The Property is declared surplus. Facilities and Property Management Division, in conjunction with the Office of Communications, is directed to commence the public notification requirements of the Surplus Property Process.
2. Facilities and Property Management Division, in conjunction with the Office of Communications, is directed to prepare a report to the Board, as specified under the Surplus Property Process, not later than 45 days from the date public input is due.

ADOPTED this 16th day of May 2013.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

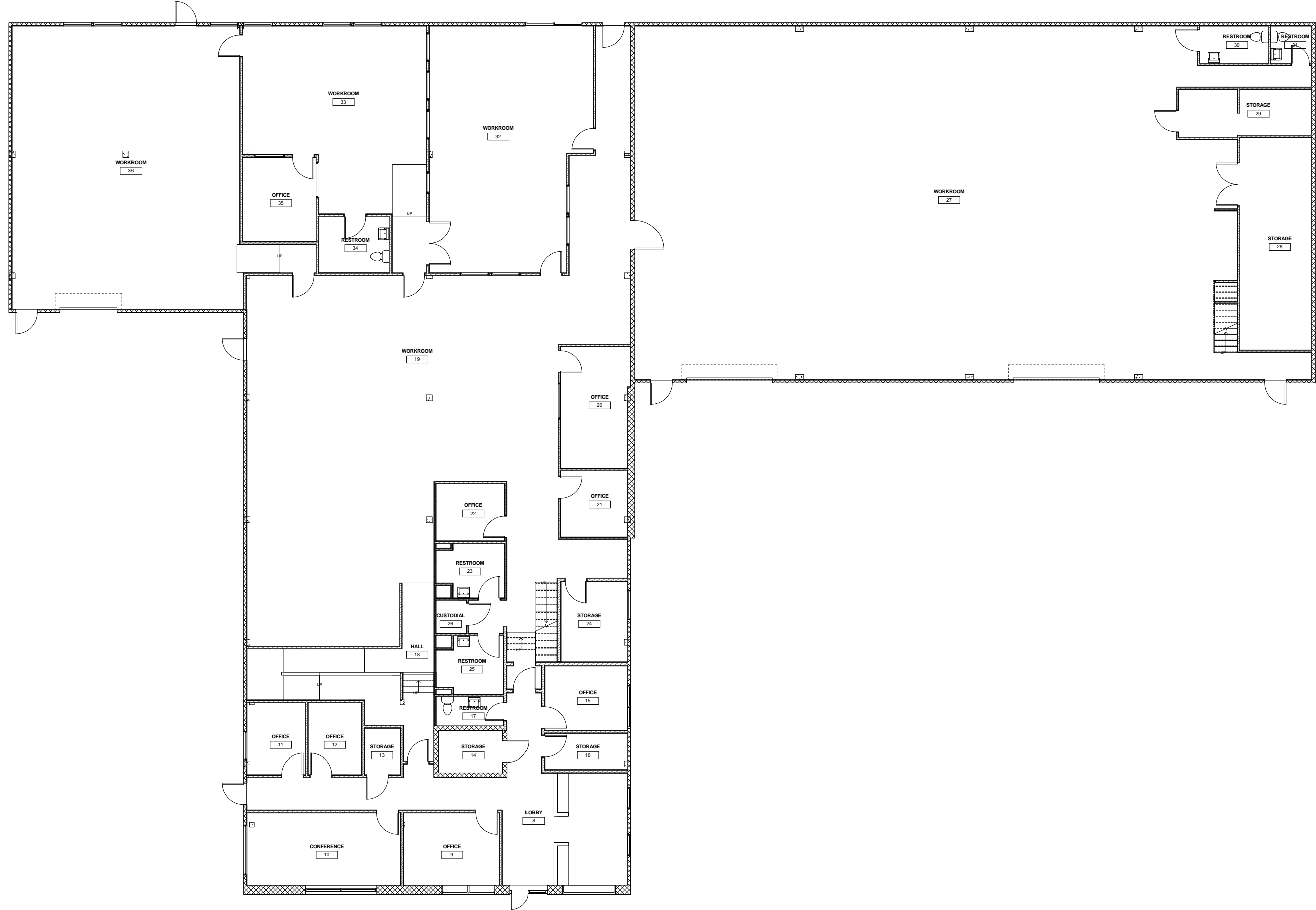
REVIEWED:

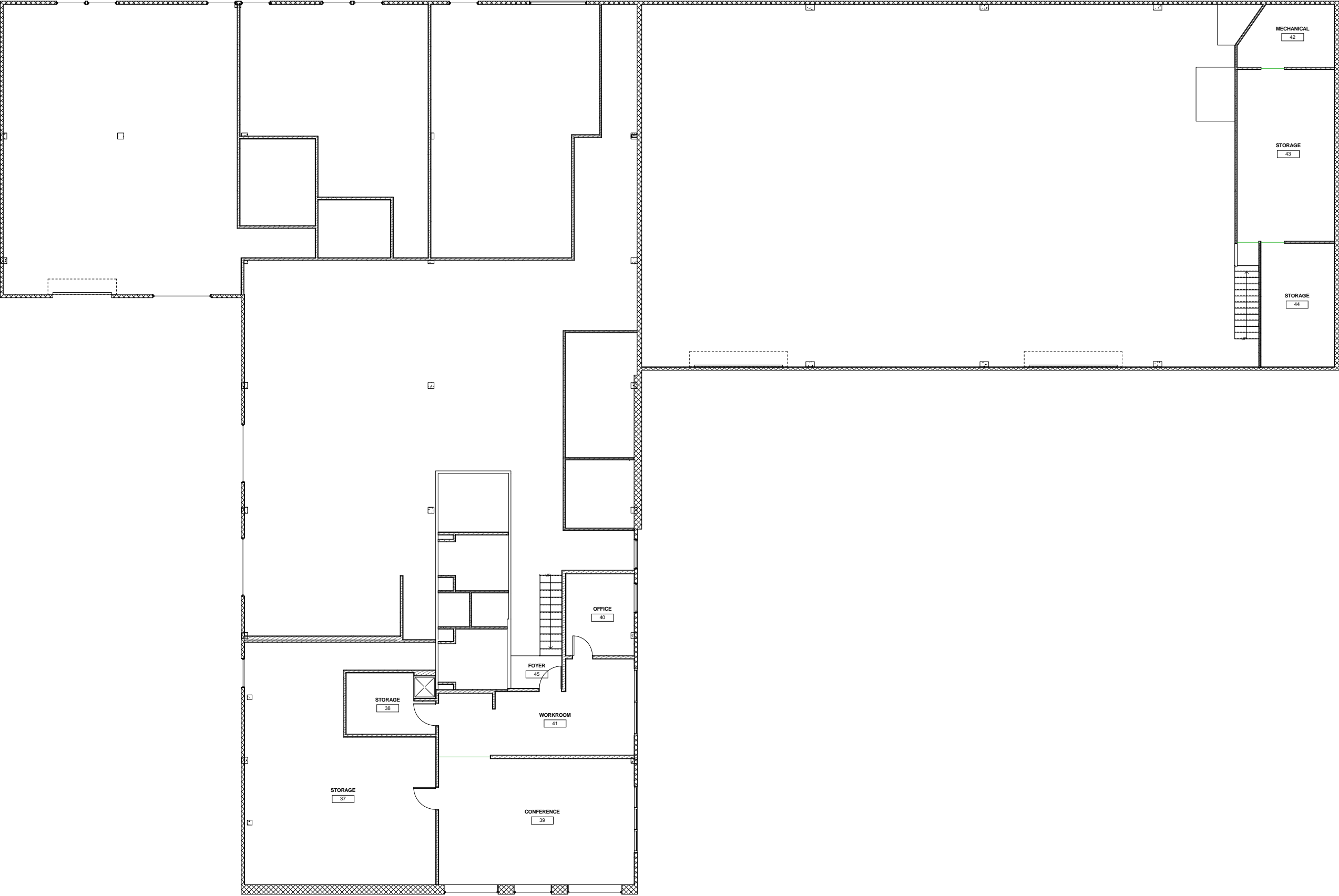
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

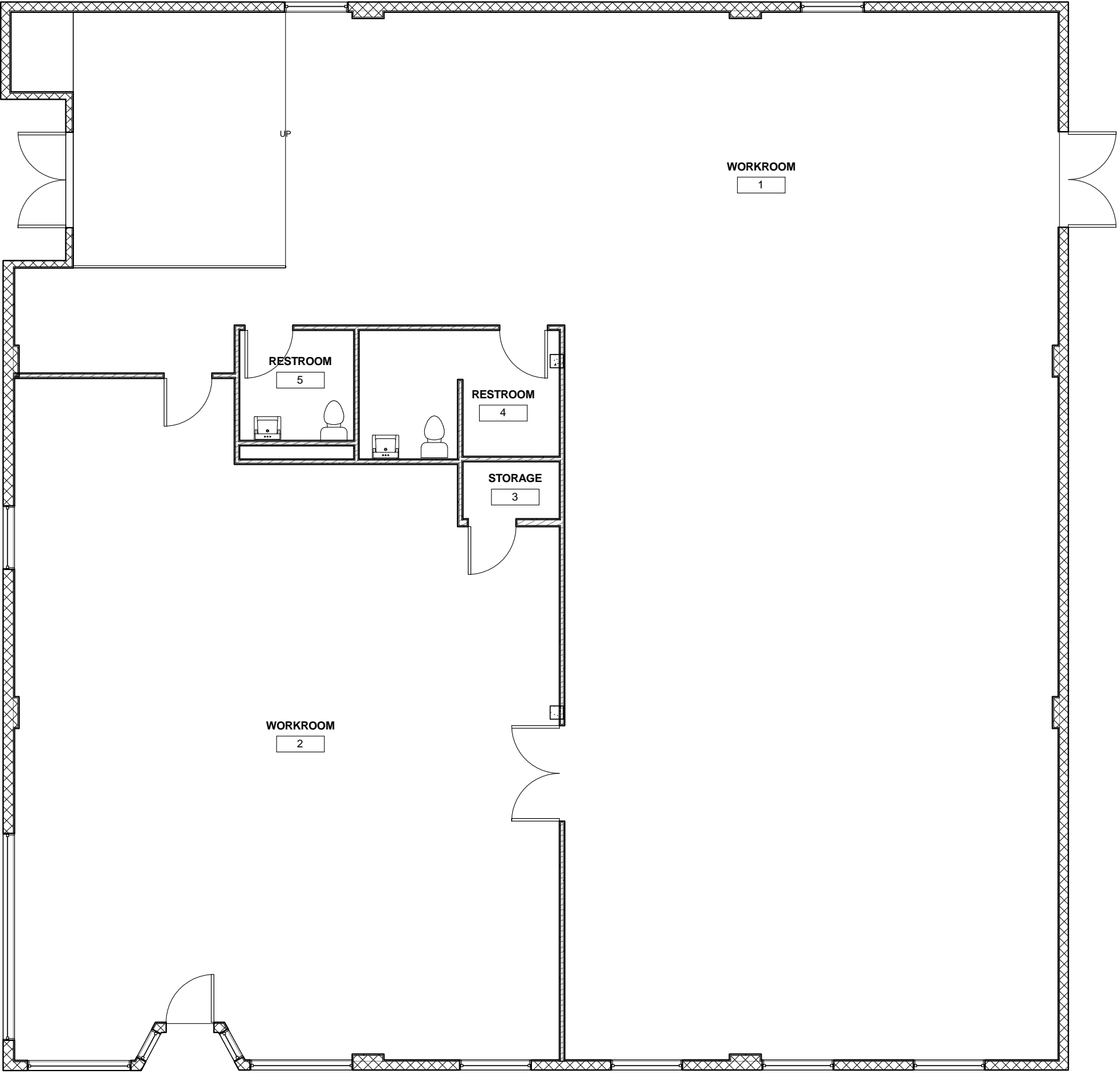
By
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Sherry J. Swackhammer, Director, Department of County Assets.

ATTACHMENT D







Notice of Surplus Property

The North Williams Center

The Multnomah County Board of Commissioners, by Resolution Number 2013-060, dated May 16, 2013, has declared this property surplus. The disposition potential of this property is open for Public Comment until 2:00 pm, June 5, 2014.

Address:	2124 N. Williams Avenue, Portland, OR 97227
Tax Lot ID#:	R102374; R655248
Property Description:	ALBINA, BLOCK 23&24 TL 13200; BLOCK 23, S 10' OF LOT 24, LOT 25&26

Planning Information

Zone:	R1/R2 zone, Zoning Map 2830
Overlay:	Alternative Design Density (a)
Urban Renewal District	Interstate Corridor
Comprehensive Plan	Albina Community Plan District (AC)
Conservation District:	n/a

Property Information

Lot Area:	Acre = 1.14	Sq. Ft. = 50,000
Improvements:	Approximately 17,000 SF of office/warehouse	
Services:	All urban services are available	

Community Contacts

Neighborhood Association:	Eliot Neighborhood Association
Neighborhood Coalition:	Northeast Coalition of Neighborhoods
Portland District Planner:	Leslie Lum, 503.823.7896 leslie.lum@portlandoregon.gov

PROPERTY INSPECTION TOURS: March 18, 2014, 5:00 pm and 5:45 pm | April 23, 2014 TBD

Public Comment

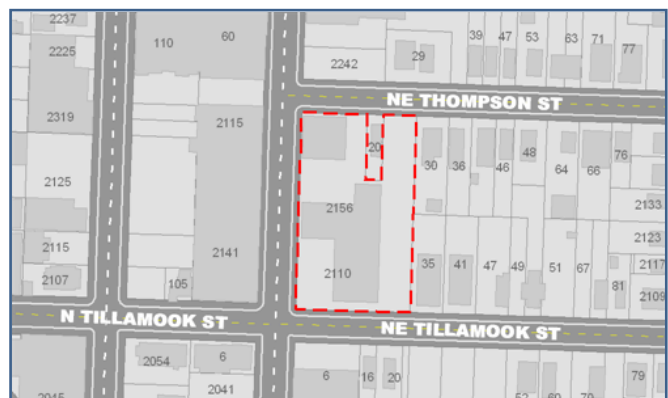
Individuals and groups may provide statements of their interest in this property and any actions that are desired as to its future use. Submit written comments:

Via E-Mail: north-williams-center@multco.us | Via U.S. Mail: Multnomah County Communications Office, 501 SE Hawthorne, Suite 600, Portland, Oregon 97214.

Respondents requesting accommodation for comment via voice communications should call 503.988.3308. For updated property information, including environmental conditions:

<http://web.multco.us/facilities-property-management/surplus-property>

PLEASE DO NOT DISTURB OCCUPANTS



ATTACHMENT F

The North Williams Center Surplus Property Public Comment **WEEKLY UPDATES**

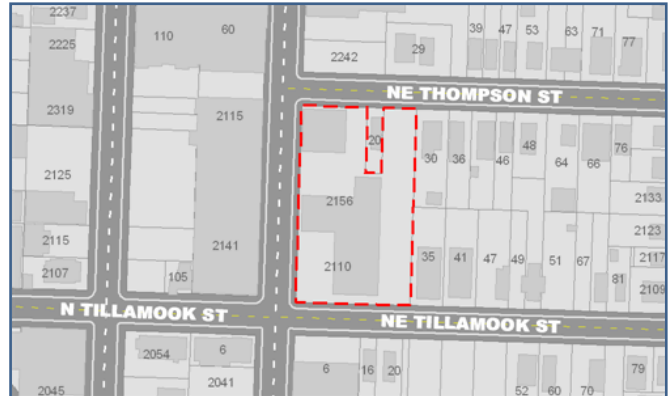
Individuals and groups may provide statements of their interest in this property and any actions that are desired as to its future use. Submit written comments:

Via E-Mail: north-williams-center@multco.us | Via U.S. Mail: Multnomah County Communications Office, 501 SE Hawthorne, Suite 600, Portland, Oregon 97214.

Respondents requesting accommodation for comment via voice communications should call 503.988.3308 for accommodation only. For updated property information, including environmental conditions:

<http://web.multco.us/facilities-property-management/surplus-property>

PLEASE DO NOT DISTURB OCCUPANTS



[July 8, 2014](#)

Staff continues to collate the comments and prepare a Report to the Board to be presented in late July. The date, time and place will be at a Regular Meeting off the Board of County Commissioners. The meeting will be posted to this Weekly Update.

[July 1, 2014](#)

No weekly update posted this week.

[June 24, 2014](#)

Staff continues to collate the comments and prepare a Report to the Board to be presented in late July. The date, time and place will be at a Regular Meeting off the Board of County Commissioners. The meeting will be posted to this Weekly Update.

[June 17, 2014](#)

Staff continues to collate the comments and prepare a Report to the Board to be presented in July. The date, time and place will be at a Regular Meeting off the Board of County Commissioners. The meeting will be posted to this Weekly Update.

[June 10, 2014](#)

The Public Comment closed June 5, 2014. A report will be delivered to the Board within 45 days at a public meeting advertised here.

[June 3, 2014](#)

**Public Comment will be accepted until 2:00 pm, June 5, 2014:
north-williams-center@multco.us**

[May 27, 2014](#)

**Public Comment will be accepted until 2:00 pm, June 5, 2014:
north-williams-center@multco.us**

[May 20, 2014](#)

No activity.

[May 13, 2014](#)

No activity.

[May 6, 2014](#)

No activity.

[April 29, 2014](#)

No activity. The FINAL Inspection tours were held Wednesday, April 23, 2014.

[April 22, 2014](#)

No activity. The FINAL Inspection tours are Wednesday, April 23, 2014, departing *promptly* at 5:00 and 5:45 pm. Late attendees cannot be accommodated.

[April 15, 2014](#)

No activity.

[April 8, 2014](#)

No activity.

[April 1, 2014](#)

No activity.

[March 25, 2014](#)

No activity.

[March 18, 2014](#)

Q3

What is the process by which the sale of this property is decided? What is the timing of such decision?

This process is conducted via this website. The public comments are due June 5, 2014. Within 45 days of that date, staff will deliver a report on the public comments received and possible recommendations for the next steps for the Property. The decision on next steps, including a possible disposition process is solely the Board of County Commissioners and will be at a public meeting published on the Surplus County Website.

Q4

I would like to be appraised of all information as it comes available for this property.

This process is conducted via this website. There is no separate process of communication other than this website.

[March 11, 2014](#)

The Surplus Property Public Comment Process commenced March 6, 2014.

The Surplus Property Notice was released to over 700 subscribers in the real estate community in the Northwest through use of Vertical E-mail Service. Affected neighborhood and community stakeholders were sent a courtesy copy. It was posted to the County Surplus Property Website and the Property upon release. In addition, it is scheduled for announcement in the Daily Journal of Commerce on March 12, 2014.

Q1

Will this be on auction? Where I can find out more information to proceed to purchase the surplus properties? Do I get commission if I represent my client/s

This process is a call for Public Comment only. It may result, due to Board action, in an offering, with terms, including cooperation with brokers, advertised at that time and posted to this website.

Q2

Do you have a sales packet or any other information available for this property?

The County currently has very limited information on the Property. It will be posted to the website as it becomes available.

Pin 5-2405
Michael Mirabito

After recording, return certified copies to:

Grantor

Port City Development Center
2124 N. Williams Avenue
Portland, OR 97227
Attn: Michael Mirabito

ATTACHMENT G

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk

A49 7

ATTDS

Total : 51.00

2005-093250 05/24/2005 02:01:20pm

Grantee

Oregon DEQ
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201
Attn: Tom Roick

EASEMENT AND EQUITABLE SERVITUDE

This Easement and Equitable Servitude is made April 26, 2005
between Port City Development Center (Grantor) and the Oregon Department of
Environmental Quality (DEQ or Grantee).

RECITALS

A. Grantor is the owner of certain real property located at 2124 N. Williams Avenue in Portland, Oregon (Multnomah County Tax Map 2830; Tax Lots 13200, 10400, and 10500) (hereinafter the "Property"), the location of which is more particularly described in Attachment A to this Easement and Equitable Servitude. The Property is referenced under the name Port City Development Center (former Wagstaff Battery), ECSI # 1243 in the files of DEQ's Environmental Cleanup Program at the Northwest Region Office, 2020 SW Fourth Avenue, Suite 400, Portland OR 97201. Please contact DEQ's Northwest Region Office at 503-229-5263 to make an appointment for reviewing reports regarding the investigation and cleanup of contaminated soil present at the Property.

B. Upon completion of cleanup activities by former owners of the Property, DEQ required recordation of an Environmental Notice to identify pockets of lead and petroleum hydrocarbon contaminated soil remaining in the vicinity of a former dry well beneath Building #1 (also known as Building B) and Sump #1 at the Property. The Environmental Notice was recorded with Multnomah County on January 14, 1998. On February 24, 1998, DEQ issued a cleanup approval and No Further Action (NFA) determination for the Property.

C. On September 1, 1998, Grantor entered into a Prospective Purchaser Agreement (PPA) with DEQ, under which Grantor agreed to work under the oversight of DEQ's Voluntary Cleanup Program to perform site investigation and remedial actions for surface and subsurface soil contamination at the Property as part of site redevelopment. The PPA requires that Grantor to, among other things, ensure that pockets of lead and petroleum contaminated soil in the former dry well and Sump #1 areas remain isolated

Easement and Equitable Servitude
Port City Development Center

from human contact, investigate and remediate any contaminated soils exposed or discovered during renovation of Building B, and submit development plans for review by DEQ to ensure actions will not exacerbate existing contamination. A copy of the PPA is available from DEQ's Environmental Cleanup Program, Northwest Region Office, 2020 SW Fourth Avenue, Suite 400, Portland OR 97201.

D. Grantor completed additional site investigation including soil sampling and analysis at the site as part of redevelopment in 2003. On March 4, 2004, DEQ withdrew its earlier No Further Action determination based on new information that lead contamination was present at concentrations exceeding 400 mg/kg in exposed soil east and north of Building B. In August 2004, Grantor completed soil removal work to address the exposed lead contaminated soil. In addition to those areas of petroleum hydrocarbon and lead contamination identified underneath Building B in the 1998 Environmental Notice, other areas of lead contamination were discovered beneath or near Building B and still remain after completion of the 2003 soil removal and site redevelopment. The additional site investigation documented two general areas where lead contamination is known to be or could be present: 1) beneath the existing Building B concrete foundation, and 2) beneath the asphalt parking area northeast of Building B (see site diagram attached hereto as Attachment B). This Easement and Equitable Servitude is intended to supplement the 1998 Environmental Notice and 1998 PPA, both of which are incorporated herein by reference.

E. The provisions of this Easement and Equitable Servitude are intended to protect human health and the environment.

1. GENERAL DECLARATION

Grantor declares that all real property located in Multnomah County, State of Oregon, and described in the legal description, Attachments A to this Easement and Equitable Servitude, is and shall be conveyed, transferred, leased, encumbered, occupied, built upon, or otherwise used or improved, in whole or in part, subject to this Easement and Equitable Servitude. Each condition and restriction set forth in this Easement and Equitable Servitude touches and concerns the Property. The Equitable Servitude granted in paragraph 3 and the easement granted in paragraph 4 below shall run with the land for all purposes, shall be binding upon all Owners as set forth in this Easement and Equitable Servitude, and shall inure to the benefit of the State of Oregon. Grantor further conveys to DEQ the perpetual right to enforce the conditions and restrictions set forth in this Easement and Equitable Servitude.

2. DEFINITIONS

2.1 "DEQ" means the Oregon Department of Environmental Quality, and its employees, agents, and authorized representatives. "DEQ" also means any successor or assign of DEQ under the laws of Oregon, including but not limited to any entity or instrumentality of the State of Oregon authorized to perform any of the functions or to exercise any of the powers currently performed or exercised by DEQ.

2.2 "Owner" means any person or entity, including Grantor, who at any time owns, occupies, or acquires any right, title, or interest in any portion of the Property including any successor, heir, assign or holder of title or a vendee's interest of record to any portion of the Property, excluding any entity or person who holds such interest solely for the security for the payment of an obligation and does not possess or control use of the Property.

3. EQUITABLE SERVITUDE (RESTRICTIONS ON USE)

3.1 Site Maintenance. The Owner shall maintain the Building B concrete foundation and adjacent asphalt parking surface (identified on Attachment B) in a condition that prevents direct human contact with underlying contaminated soil. No operations or uses shall be made on or of the Property that will or likely will penetrate the Building B concrete foundation or adjacent asphalt parking surface including without limitation any excavation, drilling, scraping, or erosion without a plan for managing potentially contaminated soil and prior written approval from DEQ.

3.2 Hazard Notification. The Owner shall not expose potentially contaminated soil beneath the Building B concrete foundation or the adjacent asphalt parking surface without hazard notification for site workers in accordance with applicable state and federal Occupational Safety and Health Administration (OSHA) regulations to address the presence of soil contamination.

3.3 Soil Management. If soil excavated from beneath Building B or the adjacent asphalt parking area contains lead or petroleum hydrocarbons, it must be evaluated to determine if it is a solid waste in accordance with Oregon Administrative Rules 340-093-040 or a hazardous waste in accordance with the Resource Conservation and Recovery Act (RCRA) and appropriately managed and disposed of at a permitted facility.

4. EASEMENT (RIGHT OF ENTRY)

During reasonable hours and subject to reasonable security requirements, DEQ as Grantee shall have the right to enter upon and inspect any portion of the Property to determine whether the requirements of this Easement and Equitable Servitude and the PPA have been or are being complied with. Violation of any condition or restriction contained in this Easement and Equitable Servitude shall give to DEQ the right, privilege, and license to enter upon the Property where such violation exists and to abate, mitigate, or cure such violation at the expense of the Owner, provided written notice of the violation is given to the Owner describing what is necessary to correct the violation and the Owner fails to cure the violation within the time specified in such notice. Any such entry by DEQ shall not be deemed a trespass, and DEQ shall not be subject to liability to the Owner of the Property for such entry and any action taken to abate, mitigate, or cure a violation.

5. GENERAL PROVISIONS

5.1 Within 15 days of its execution, Grantor shall record this Easement and Equitable Servitude in the records of deeds of real property in Multnomah County, such recordation being expressly authorized by statute including, without limitation, ORS 93.710. Grantor shall provide DEQ with a file stamped copy of the Easement and Equitable Servitude within five (5) days of recordation.

5.2 All conditions and restrictions contained in this Easement and Equitable Servitude shall run with the land until such time as any condition or restriction is removed by written certification from DEQ that the condition or restriction is no longer required in order to protect human health or the environment.

5.3 Owner, as defined in Paragraph 2.2 above, is and shall be conclusively deemed to have consented and agreed to every condition and restriction contained in this Easement and Equitable Servitude, whether or not any reference to this Easement and Equitable Servitude is contained in an instrument by which such person or entity occupies or acquires an interest in the Property.

5.4 The Owner shall not occupy or allow other persons to occupy the Property unless the controls listed in Paragraph 3 above are maintained and are intact and continue to protect public health and the environment.

5.5 The Owner shall notify DEQ at least ten (10) days before the effective date of any conveyance, grant, gift, or other transfer, in whole or in part, of the Owner's interest in or occupancy of the Property, or the start of development activities or change in use of the Property that might expose human or environmental receptors to contaminants at the Property. Notwithstanding the foregoing, Owner shall not commence any development inconsistent with the conditions or restrictions in Paragraph 3 above without prior written approval from DEQ or removal of the condition or restriction as provided in Paragraph 5.2 above.

5.6 The Owner shall notify DEQ no less than thirty (30) days before Owner's petitioning for or filing of any document initiating a rezoning of the Property that would change the base zone of the Property under the Multnomah County zoning code or any successor code. As of the date of this Easement and Equitable Servitude, the base zone for the Property is mixed commercial/residential.

5.7 Upon any violation of any condition or restriction contained in this Easement and Equitable Servitude, DEQ, in addition to the remedies described in Paragraph 4 above, may enforce this Easement and Equitable Servitude as provided in the PPA, which is incorporated herein by reference, or may seek any other available legal or equitable remedy to enforce this Easement and Equitable Servitude.

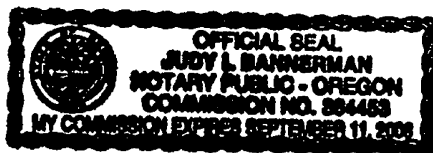
IN WITNESS WHEREOF Grantor and Grantee have executed this Easement and Equitable Servitude as of the date and year first set forth above.

GRANTOR: Port City Development Center

By: [Signature] Date: 4/26/05
Michael Mirabito, Executive Director
GABRIELLE BOLNAR

STATE OF OREGON)
) ss.
County of Multnomah

The foregoing instrument is acknowledged before me this 26 day of April, 2005 by Gabrielle Bolnar Port City Development on its behalf.



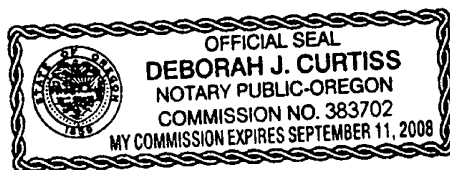
[Signature]
NOTARY PUBLIC FOR OREGON
My commission expires: 9/11/08

GRANTEE: State of Oregon, Department of Environmental Quality

By: [Signature] Date: 4/7/05
Dick Pedersen, Administrator, Northwest Region

STATE OF OREGON)
) ss.
County of Multnomah

The foregoing instrument is acknowledged before me this 7 day of April, 2005 by Dick Pedersen of the Oregon Department of Environmental Quality, on its behalf.



[Signature]
NOTARY PUBLIC FOR OREGON
My commission expires: Sept 11, 2008

ATTACHMENT A LEGAL DESCRIPTION

FORM NO. 100 - QUITCLAIM DEED - STATUTORY FORM (REVISED 1996)

PREPARED BY THE CLERK OF THE COUNTY OF MULTNOMAH

QUITCLAIM DEED - STATUTORY FORM INDIVIDUAL GRANTEE

THIS DEED IS BEING
RECORDED

Alice A. Hindman

Grantor,

relatives and relatives to ALICE A. HINDMAN, CAROL ANN COFFMAN and BRUCE E. HINDMAN,
Co-Trustees of the Alice A. Hindman Revocable Trust.

Grantee, all right, title and interest in and to the following described
real property situated in Multnomah County, Oregon, to-wit:

The West 85 feet of Lots 25 and 26, and the South 10 feet of the
West 85 feet of Lot 24, Block 23, ALBINA, City of Portland, and
That part of Lots 24, 25, and 26, Block 23, ALBINA, in the City of
Portland, County of Multnomah and State of Oregon, described as
follows, to-wit:

Beginning at the southeast corner of said Lot 26, and thence running
northerly along the east lines of said lots, 110 feet, thence westerly
and parallel with the south line of said Lot 24, 40 feet; thence
southerly and parallel with the east lines of said lots, 110 feet to
the south line of said Lot 26, and thence easterly 40 feet to the place
of beginning.

Also known as 2110 N. Williams, Portland, Oregon. Parcel No R00960 8230

The true consideration for this conveyance is \$ -0- (Here comply with the requirements of ORS 93.030).
Transfer to Revocable Trust

Dated this day of 19 96

Alice A. Hindman

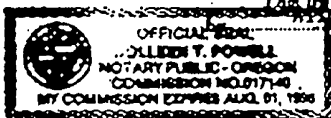
Alice A. Hindman

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THE
INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND TO THE EXTENT
BEFORE GRANTING OR RECORDING THIS INSTRUMENT, THE PERSONS
TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY
PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY
LIMITS ON LAND USES AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN
ORS 30.02.

STATE OF OREGON, County of

This instrument was acknowledged before me on 7/27/96

Alice A. Hindman



Carlton B. Powell

Notary Public for Oregon

My commission expires Aug 1, 1996

QUITCLAIM DEED

Alice A. Hindman

Alice A. Hindman

Revocable Trust

GRANTOR

GRANTEE

GRANTEE'S ADDRESS TO:

After recording return to:

George J. Gregoren
222 SW Columbia, Suite 1800
Portland, OR 97201

NAME ADDRESS, ZIP

Until a change is requested, all tax statements
shall be sent to the following address:

2124 N. Williams Ave.
Portland, OR 97227

STATE OF OREGON

96 FEB 12 AM 2:00

RECORDS SECTION
MULTNOMAH CO. OREGON

96 21714

Number of Copies

C. Swick

CLERK OF COUNTY

I, Clerk of the County of Multnomah, do hereby certify that the foregoing instrument is a true and correct copy of the original as recorded in the Public Records of said County.

By

96 21714



north williams center

1 message

eddie murphy <eddiemurphycabinets@earthlink.net>

Wed, Mar 12, 2014 at 12:14 AM

To: north-williams-center@multco.us

Cc: shara alexander <sharaa@hevanet.com>, goodkarm@teleport.com

Multnomah Board of County Commissioners,

My name is Edward Murphy . I am an immediate resident(27 NE Thompson st, 21 years,) to the subject property. I am also a business owner at 2243 N Williams ave.

I believe the current operators should remain in the facility if at all possible.

They have been a wonderful presence in the neighborhood, and have maximized the surrounding green space with organic farming . I have watched the the transformation from an old decrepit battery factory to a beautiful, warm and safe haven for our most delicate citizens.

The work they do and have done with their mentally disabled clients makes the immediate and greater community better as a whole. I can not say enough good things about what they have built over the years there.

I do not know the intentions of Port City but if they are inclined to stay at this location I hope the county will give them support and priority over any future interest in the facility.

Sincerely,

Edward Murphy

Eddie Murphy Cabinets inc.

2243 N Williams Ave.

Portland, OR 97227

[503-282-6704](tel:503-282-6704)

[503-201-5534](tel:503-201-5534) cell

<http://www.flickr.com/photos/emccraft/>



Michael SUBLETT <michael.a.sublett@multco.us>

Statement of Interest - North Williams Center

1 message

Melissa Hicks <melissah@selfenhancement.org>

Mon, Mar 17, 2014 at 11:54 AM

To: north-williams-center@multco.us

Cc: Nick Gallo <nickg@selfenhancement.org>, Brad Christiansen <Brad.Christiansen@colliers.com>

Hello,

Self Enhancement, Inc (SEI) is interested in the county surplus property for North Williams Center located at 2124 N Williams Ave, and is exploring the potential to use this as an office space for our Community and Family Programs (CFP).

SEI's CFP are currently housed in the OAME Cascade Plaza building which is being redeveloped for housing units in the next year. We are looking for a facility in N/NE Portland that will fit the needs of our agency and the families we serve and think this is a great location and space for our organization.

We are a multi-service organization whose mission is **to guide under-served youth to realize their** full potential. Working with families, schools and other community-based organizations, Self Enhancement provides urban minority youth and their families with the opportunities, resources and support they need to achieve academic, personal and economic success.

SEI's Community and Family Programs are designed to provide families with the resources, supports, and wrap-around services needed to help ensure they are safe, stable, and have their critical social, emotional, and economic needs met. CFP provides a broad continuum of anti-poverty, family stabilization, and employment services that are culturally specific for, African American families and/or culturally responsive for other families in need.

SEI's Community and Family Programs is comprised of approximately 35 staff and managers, and serves approximately 5000 families per year. Upon moving into this space, SEI's CFP would have approximately 3500 walk in clients per year for our Energy Assistance Program, and be able to host groups of 25-30 families during the week geared towards family stabilization, parenting and financial literacy. In addition, due to the large amount of space at this location, we could also explore using the space for future expansion, social enterprises, innovative employment training, and/or for other community partners.

Please let us know if any additional information is required, how we go about finding out more information about this location, and what the next steps are to becoming eligible for consideration for this space.

If we do not hear back by midday tomorrow, I will plan on attending the property inspection scheduled at 5pm on the 18th.

Thank you,

Melissa

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Melissa Hicks

Program Coordinator

Community and Family Programs

Self Enhancement Inc.

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Michael SUBLETT <michael.a.sublett@multco.us>

Eliot Neighborhood Association Land Use Committee comments

Warwick, Mike <mike.warwick@pnnl.gov>

Tue, Mar 18, 2014 at 10:56 AM

To: "north-williams-center@multco.us" <north-williams-center@multco.us>

This notice is timely coming during the Comprehensive Planning process as it does. During the recently concluded NE Quadrant Plan process for Portland's Central City Plan, Eliot advocated for inclusion of properties between Russell and Broadway and between I-5 and the west side of Williams in the Central City Plan district and rezoning of properties from Residential to Ex or the proposed new Mixed Use zone under discussion. Our intent, consistent with that of the Comp Plan process, is to eliminate the current non-conforming use of thriving commercial firms in this area to encourage their expansion. That proposal was incorporated into the NE Quadrant Plan adopted by City Council.

As part of the continuing Comprehensive Planning process, Eliot has proposed rezoning much of the neighborhood to preserve historic housing stock and neighborhood character and to eliminate other non-conforming and non-compatible zoning. This opens the door to consideration of alternative zoning and uses for this parcel and adjacent property to the south. As a result of discussions with Portland planners, we have suggested rezoning properties facing Williams (and ONLY those parcels) in this area to CS is appropriate. That reflects a desire for this neighborhood to foster "storefront" type development along Williams BUT also to buffer the adjacent Historic Conservation District from new development that would detract from the neighborhood character, such as six story no-park apartment blocks. The CS zone allows for a mix of commercial and residential uses but limits heights and proximity to adjacent residences.

The present zoning of this property does not support the vision Eliot has shared with City staff. However, the

existing use for training and light manufacturing is consistent. Our desire is for any new user to fall into one or both of these categories with the option to incorporate housing above a future school/educational use and/or light manufacturing/retail use.

To reiterate, we would like to see the existing buildings reused for educational and/or job creation use. The property behind these buildings, the lots that face the side streets, should be developed solely for residential use. As part of our Comprehensive Plan proposal to the City, Eliot has requested properties zoned R2 be rezoned to R2.5. Accordingly, that is the use and level of density we would like to see on lots facing Thompson and Tillamook.

Mike Warwick,

Eliot Land Use Committee Chair



Michael SUBLETT <michael.a.sublett@multco.us>

neighbor comment on PortCity property changes

s alexander <shara.e.alexander@gmail.com>

Sat, May 17, 2014 at 9:04 PM

To: north-williams-center@multco.us

To the Board of County Commissioners,

First, thank you for giving me and other members of the Portland community a chance to comment.

My family lives a half a block from the North Williams property, and we've lived there for over 20 years. Over the last 5 years, Project Grow at Port City brought many direct benefits to this neighborhood. They created cultural events to bring diverse members of the community together; they helped to educate people and dispel fears and myths about the people they serve; and they brought positive physical change to the neighborhood, converting several empty and trash strewn lots into flourishing community gardens that provide relief for the senses, opportunities to partner with neighbors and share healthy, home-grown produce. These are all important values to Multnomah County residents.

All of these gathering places are at risk of being lost to private development over the next few years. At the same time the impact of the I-5 and I-84 corridors and entrance ramps, Emanuel hospital emergency vehicles, and event parking continues to grow and squeeze residents. This can feel like a besieged corridor at times. That is why it has been such a stabilizing force to have this open green space.

Half of the surface area of this property was remediated at great cost, and is now a flourishing garden, providing real benefits to the City and to participants in the Port City program. Whatever comes to this property, that current open space could be maintained as a community asset- either as a pocket park or as a community garden. It would continue to be an asset to the residents or employees of the new development as well.

It is more important than ever, especially in this transportation-heavy corridor, to create open spaces for people to share with each other.

Please consider this when weighing development proposals.

One further comment. The neighbors who are on either side of the property will bear the greatest brunt of any development. They are long term

residents of the neighborhood, and all of us hope and expect they will be treated with respect and care. If they have concerns, they should be the first to be addressed.

Thank you,

Shara Alexander and family

51 NE Tillamook Street



Michael SUBLETT <michael.a.sublett@multco.us>

Status of North Williams property

AnnMia <AnnMia@haning.net>

Tue, May 20, 2014 at 7:05 PM

Reply-To: AnnMia@haning.net

To: north-williams-center@multco.us

May 16th, 2014

Re: 2124 North Williams

To whom it may concern:

I am writing to lobby for the continuation of 2124 North Williams as a location for Port City.

I have been volunteering at Project Grow, the arts and farming community for people with disabilities which has existed since 2009, for a little over a year. As far as I can see this facility is unique in the country as well as Portland. It captures the creative, compassionate spirit of the people in this city. This is a “sheltered workshop” situation where clients are given the opportunity to do farming and animal husbandry and exhibit

their art at galleries throughout the city and beyond. The extensive harvest from the farm is sold to the community . They are paid for their work at a fair wage. Expert artists in ceramics, weaving, and print media who are also patient and dedicated caregivers are part of the staff. In addition, there is a growing lively interface between the artistic community and the clients at Project Grow. There is an onsite gallery where exhibits and workshops can happen.

Volunteers such as myself are able to have hands-on interaction with the clients, some of whom have become my friends. I myself am enriched by the relationships I have formed there. The main building at Port City has been here for decades and is well-established. There is a woodworking studio with pieces for sale, an “enrichment room” where arts are explored and another area where clients learn job skills in production and print making which are contracted to local businesses. There is also a dining area which is used for community events, as well as a small storefront where art is sold.

I have a concern that the location of Port City and Project Grow is ideal for the activities that are happening there. The size and zoning of the property create a web of possibilities where everyone benefits. The location in inner Portland permits clients to take public transportation and have a relatively short distance to travel, and many clients are there every day from Monday through Friday.

Times are changing and non-profits are having to be more creative to maintain their existence as this area grows and there is an influx of people and different influences. It would be a sad day if this endeavor could not continue. Please give consideration to the fact that it would be extremely difficult for Port City to re-establish itself and it would require oversight and financial help.

Thank you,

Ann Mia Haning

2202 NW Mill Pond Rd.

Portland, OR 97229

annmia@haning.net

[\(503\) 764-5552](tel:(503)764-5552)



Michael SUBLETT <michael.a.sublett@multco.us>

RE: North Williams Public Comments

1 message

Mike Baumgartner <michaelpbaumgartner@gmail.com>

Thu, Jun 5, 2014 at 12:40 PM

To: north-williams-center@multco.us

Hello,

My name is Michael Baumgartner. My wife, Rachel Valdes, and I own the home (at 20 NE Thompson St) situated within the North Williams site that the county is considering for disposition. This letter expresses our desires for future development of the site.

We understand and, as county residents, expect that the county should do their best to recuperate as much revenue from the site; however, as property owners with such great impact by future development of the site, we hope the county will take our concerns into consideration when deciding how to proceed with disposition.

First, my wife and I both believe the site is under-utilized in its current state due to its proximity to downtown, other recent N Williams re-development opportunities, and public transit. With that said, we expect future development of the site to occur, and would be against the county disposing of the site to another owner that does not intend to redevelop. Our reason is that by allowing the site to remain undeveloped leaves an air of uncertainty looming over the site, and leaves us as well as the rest of the neighborhood in a continued state of limbo, waiting for whatever future development may come, because we know that someday it will indeed occur. It is in our best interest to see that happen today, rather than in another 15 years, and it would likely result in the best financial return for the county after the failure of Portcity Development.

There are several concerns that my wife and I share over what kind of development might take shape on the site. Currently (to my understanding), over half the site is zoned R1, and the remaining/less than half (including our home) is zoned R2. Due to parking shortages in the neighborhood, and outside parking

influences from Rose Quarter events and other neighborhood venues, we would like to see some sort of housing project that includes some parking for its residents. One of the developers I met at the open houses for the site expressed interest in the site to build brownstones with parking underneath. This would be an ideal use of the site in our opinion, as the development would result in the lowest impact on neighborhood parking.

However, conversations we have had with city zoning and neighborhood association representatives indicate two different desires. The city would like to see the entire site (including our house) be rezoned EX, while the neighborhood associate would like to see portions rezoned to allow for ground floor retail with housing above along N Williams and additional housing behind Williams at a R2.5 scale. Due to parking issues, we would like to see the site stay zoned for residential only, so that there will be less of a parking impact. Ground floor retail customers and employees will require more parking than residential only development, which will have a lower impact on a neighborhood that already has parking shortages. If this concern cannot influence future zoning decisions, we would like to see our home rezoned to conform with the rest of the site, to meet the development desires of the city or future developer.

My wife and I both love our home and the Eliot neighborhood and would happily stay where we are, but we are also realistic about the property disposition process and development that occurs in close proximity to urban centers. When we purchased our home nearly 15 years ago we did so knowing that there might be development occurring around us. But at the time Portcity was only interested in building single-family homes and plexes to offer as housing for their clients. At the time that seemed like a reasonable development outlook. Now, nearly 15 years later and Portcity no longer in the picture, the situation is much different. If a multi-story housing/retail project is to be built on the site, we are concerned about our loss of privacy, sunlight and potential damages to our 113 year old home that might occur from larger scale development construction and subsequent ground settlement so close to our home. It is not our wish to live in a home where the views from our home or yard are into many many other neighbors homes, apartments or condos. The level of privacy a larger scale development would impart onto our home would diminish our quality of life to a level below what we consider acceptable. If that kind of development is the direction the disposition is going, we would want to sell our home and allow for developers to incorporate our property into their project. This is why we are open to zoning that allows our home to conform with the rest of the North Williams site (if a residential-only option is not pursued).

Like I said before, both my wife and I understand that development is inevitable and we do not wish to stand in the way of it. We hope that a mutually beneficial outcome can be realized so that the county, potential developers, and our family can be happy with what's to come of the North Williams site. If any board members have questions concerning our unique situation, or would like to discuss our concerns or wishes during the deliberation process we would be happy to talk. Thank you so much for your consideration and time.

Sincerely,
Michael Baumgartner & Rachel Valdes
[503-577-3791](tel:503-577-3791)