



Kent Taylor Civic Hall
200 NE Second Street
McMinnville, OR 97128

City Council Meeting Agenda

Tuesday, March 23, 2021

March Level 10 Meeting **CANCELED**

5:30 p.m. – Work Session Meeting

7:00 p.m. – Regular Council Meeting

EXECUTIVE SESSION – to immediately follow the Regular City Council Meeting (CLOSED TO THE PUBLIC)

REVISED 03/22/2021

*Welcome! The public is strongly encouraged to participate remotely but there is limited seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself. In accordance with Governor Kate Brown's **new face covering mandate, all who wish to attend public meetings must wear a face mask or some kind of face covering is required while in the building and you must maintain six feet apart from others.***

You can live broadcasts the City Council Meeting on cable channels Xfinity 11 and 331,
Frontier 29 or webstream here:
www.mcm11.org/live

You may join online via Zoom Meeting:
<https://mcminnvilleoregon.zoom.us/j/99068520258?pwd=RIJMRVYwc0l1bVhwdjVZU3FSZzI4QT09>
Zoom ID: 990-6852-0258
Zoom Password: 391816

Or you can call in and listen via zoom: 1-253- 215- 8782
ID: 990-6852-0258

5:30 PM – COUNCIL WORK SESSION – VIA ZOOM & COUNCIL CHAMBERS

1. CALL TO ORDER & ROLL CALL
2. CONTINUED GOAL SETTING WITH WENDY STASSENS
3. ADJOURNMENT

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM & COUNCIL CHAMBERS

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PROCLAMATIONS
 - a. Child Abuse Prevention Month
4. INVITATION TO CITIZENS FOR PUBLIC COMMENT – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.*

5. ADVICE/ INFORMATION ITEMS

- a. Reports from Councilors on Committee & Board Assignments
- b. Department Head Reports
- c. Captain Symons Memo on OLCC license application adjustments due to COVID-19 February 2021 (in packet)
- d. December 2020 Cash and Investment Report (in packet)

6. CONSENT AGENDA

- a. Consider request from Shannon Thorson DBA: C&C Wine Bar for Limited On-Premises OLCC Liquor License located at 536 NE 3rd Street.
- b. Consider **Resolution No. 2021-19**: A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.
- c. Consider request from Bierly Brewing LLC for Brewery-Public House 1st Location OLCC Liquor License located at 624 NE 3rd Street. **(Added 3/22/2021)**

7. RESOLUTIONS

- a. Consider **Resolution No. 2021-14**: A Resolution approving a new lease agreement with the Oregon State Police for 8,004 square feet of office space, and 1,676 square feet of separate storage space, in the City owned building at 3975 Cirrus Avenue.
- b. Consider **Resolution No. 2021-15**: A Resolution approving a lease amendment with the Airflight Storage Systems Condominium Owners Association for hangars D & E at the airport.
- c. Consider **Resolution No. 2021-16**: A Resolution approving a lease amendment with the Tiner Investments Company for hangar L at the airport.
- d. Consider **Resolution No. 2021-17**: A Resolution approving a lease amendment with Doug Tiner for hangar M at the airport.
- e. Consider **Resolution No. 2021-18**: A Resolution authorizing the approval of Master Grant Agreement No. 34756 between the City of McMinnville and the Oregon Department of Transportation (ODOT) for the Fund Exchange Program (FEX).

8. ADJOURNMENT

EXECUTIVE SESSION – IMMEDIATELY FOLLOW THE CITY COUNCIL REGULAR MEETING - VIA ZOOM (NOT OPEN TO THE PUBLIC)

1. CALL TO ORDER

2. **Executive Session pursuant to ORS 192.660(2)(h)**: To conduct with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

3. ADJOURNMENT

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice: Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Recorder (503) 435-5702 or Claudia.Cisneros@mcminnvilleoregon.gov.



MEMORANDUM

DATE: March 12, 2021
TO: City Council
FROM: Claudia Cisneros, City Recorder
SUBJECT: Continued Goal Setting with Wendy Stassens Meeting #4

Summary:

Wendy Stassens kicked off the City Council Goal Setting at the January 12th, 2021 Work Session outlining the outcomes trying to achieve as follows:

- Create a shared vision among City Leaders (City Council and Department Heads) and begin the work of creating a congruent team acting in alignment with the shared vision for the benefit of the City.
- Utilize the 2032 Strategic Plan and the results from the 1-25-2019 Work Session to create 2021 SMART (Specific, Measurable, Attainable, Realistic and Time Coupled) Goals.
- Create an action plan for tracking our success using the measurable goals as our scorecard.

The structure of the meeting will be as follows:

Meeting 4: Present final 2021 SMART goals

- A. Dept Heads present the results of the SMART goals work with a proposed final list of 2021 SMART goals.
 1. Include review of each
 2. Resource allocation review
- B. Solicit feedback from Council
- C. Request approval on 2021 City of McMinnville SMART goals

Attachments:

None

From: [Jeff Towery](#)
To: [City Council](#)
Subject: FW: Chamber Advocacy
Date: Tuesday, March 23, 2021 2:37:36 PM
Attachments: [RF Chamber Advocacy.msg](#)

Good Afternoon,

In anticipation that this issue may be discussed at tonight's Work Session and/or Council Meeting, I wanted you all to have all of the related information and to know that the information will become a part of the Council Packet. Thank you.

Jeff

From: Jeff Towery
Sent: Tuesday, March 23, 2021 2:21 PM
To: Chris Chenoweth <chris@acupro-oregon.com>; Gioia Goodrum <president@mcminnville.org>; David Mahn <david.mahn@mssystemshield.com>; Jose Lopez (jblandscape09@comcast.net) <jblandscape09@comcast.net>; Rodrigo Lagunas (Rodrigo.Lagunas@onemainfinancial.com) <Rodrigo.Lagunas@onemainfinancial.com>; andrew@macyandson.com; cpeters@recology.com; Patrick George <drpatgeorge@frontier.com>; Jack Maxwell (jaxsindigo@gmail.com) <jaxsindigo@gmail.com>; joshua.miller@mywvmc.com; 'Kristi Reimer' <kristi@seatandhutch.com>; mrussell@msd.k12.or.us; Maryann Rodriguez <mrodrigu1@linfield.edu>; Kim Morris (morrisinc@onlinemac.com) <morrisinc@onlinemac.com>; pam@lumsautocenter.com; griffin.zollner@usbank.com
Subject: RE: Chamber Advocacy

Chris, et al,

Please understand that this message was sent ahead because of its content, not the author and I would have done so no matter the source (i.e. if it came from the referenced businessman). In addition to being of concern and legitimate interest to City elected officials, Executive staff and key community partners, this is also a public record. Thank you for understanding.

Jeff

From: Chris Chenoweth <chris@acupro-oregon.com>
Sent: Tuesday, March 23, 2021 10:00 AM
To: Gioia Goodrum <president@mcminnville.org>; David Mahn <david.mahn@mssystemshield.com>; Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>; Jose Lopez (jblandscape09@comcast.net) <jblandscape09@comcast.net>; Rodrigo Lagunas (Rodrigo.Lagunas@onemainfinancial.com) <Rodrigo.Lagunas@onemainfinancial.com>; andrew@macyandson.com; cpeters@recology.com; Patrick George <drpatgeorge@frontier.com>; Jack Maxwell (jaxsindigo@gmail.com) <jaxsindigo@gmail.com>; joshua.miller@mywvmc.com; 'Kristi Reimer' <kristi@seatandhutch.com>; mrussell@msd.k12.or.us; Maryann Rodriguez <mrodrigu1@linfield.edu>; Kim Morris (morrisinc@onlinemac.com) <morrisinc@onlinemac.com>; pam@lumsautocenter.com; griffin.zollner@usbank.com
Subject: RE: Chamber Advocacy

This message originated outside of the City of McMinnville.

Gioia and Chamber Board,

While I have nothing to hide and personally am not one bit repentant nor embarrassed about my desire as a business owner in this community to have a Chamber that advocates on my behalf, I am disappointed that correspondence to the Board of the Chamber was shared with the Executive Committee of the City of McMinnville without my approval. This email was written to the board from my private account. It in no way referenced my role as a City Councilor nor was it signed as such. I sincerely hope that this is not consider acceptable behavior and I hope appropriate action will be taken to rectify it.

Thank you,



Chris Chenoweth

503.434.6209
acupro@acupro-oregon.com
www.acupro-oregon.com
316 NE Johnson St.
McMinnville, OR 97128

From: Chris Chenoweth

Sent: Monday, March 22, 2021 6:54 PM

To: Gioia Goodrum <president@mcminnville.org>; David Mahn <david.mahn@mssystemshield.com>; Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>; Jose Lopez (jblandscape09@comcast.net) <jblandscape09@comcast.net>; Rodrigo Lagunas (Rodrigo.Lagunas@onemainfinancial.com) <Rodrigo.Lagunas@onemainfinancial.com>; andrew@macyandson.com; cpeters@recology.com; Patrick George <drpatgeorge@frontier.com>; Jack Maxwell (jaxsindigo@gmail.com) <jaxsindigo@gmail.com>; joshua.miller@mywvmc.com; 'Kristi Reimer' <kristi@seatandhutch.com>; mrussell@msd.k12.or.us; Maryann Rodriguez <mrodrigu1@linfield.edu>; Kim Morris (morrisinc@onlinemac.com) <morrisinc@onlinemac.com>; pam@lumsautocenter.com; griffin.zollner@usbank.com

Subject: Chamber Advocacy

Gioia,

I want to thank you and the Chamber for being willing to be a voice for businesses and against job killing policies here in the City of McMinnville. In my view the City of McMinnville is not a business friendly City. That should not surprise anyone since I said that both in 2018 and in 2020. Let me give you a tangible example. I was recently made aware of a businessman who, while being from this community, elected to open a business employing 500 employees in Douglas County rather than in McMinnville because it was less expensive and the city was "easier to work with". He was from here, we had a leg up and lost this company to Douglas County.

I know that those who stand up for any group often get accused of creating problems by those critical of their positions. This is true on all sides of the political spectrum. When it comes to the business community the Chamber ought to speak up when the City is guilty of behavior that is decidedly unfriendly to the local business community. When you do, YOU ARE NOT THE PROBLEM, the behavior is. If anyone blames you they are focusing their frustration in the wrong direction. Further by making your voice heard it prompts conversation in the City Council and by department heads that otherwise may not take place.

Thank you and keep it up!



Chris Chenoweth

503.434.6209
acupro@acupro-oregon.com
www.acupro-oregon.com
316 NE Johnson St.
McMinnville, OR 97128

From: [Jeff Towery](#)
To: [EXECUTIVE TEAM](#)
Cc: [Dave Rucklos](#); [Scott Cooper](#); [Jeff Knapp](#)
Subject: RE: Chamber Advocacy
Date: Tuesday, March 23, 2021 2:22:00 PM

My earlier note to Chris and the Chamber Board is attached FYI.

From: Chris Chenoweth <Chris.Chenoweth@mcminnvilleoregon.gov>
Sent: Tuesday, March 23, 2021 2:12 PM
To: Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>; EXECUTIVE TEAM <EXECUTIVE_TEAM@mcminnvilleoregon.gov>
Cc: Dave Rucklos <dave@downtownmcminnville.com>; Scott Cooper <Scott@McMinnvilleBusiness.com>; Jeff Knapp <jeff@visitmcminnville.com>
Subject: RE: Chamber Advocacy

Jeff,

I think it inappropriate that you chose to share this email that was sent to the Chamber Board from me acting as a citizen. Communications to a board should be left with that board unless specific authorization to share is granted.

Chris

From: Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>
Sent: Tuesday, March 23, 2021 8:37 AM
To: City Council <CityCouncil@mcminnvilleoregon.gov>; EXECUTIVE TEAM <EXECUTIVE_TEAM@mcminnvilleoregon.gov>
Cc: Dave Rucklos <dave@downtownmcminnville.com>; Scott Cooper <Scott@McMinnvilleBusiness.com>; Jeff Knapp <jeff@visitmcminnville.com>
Subject: FW: Chamber Advocacy

Good Morning,

I feel that it is important that I share this correspondence with you. Thank you.

Jeff

From: Chris Chenoweth <chris@acupro-oregon.com>
Sent: Monday, March 22, 2021 6:54 PM
To: Gioia Goodrum <president@mcminnville.org>; David Mahn <david.mahn@mysystemshield.com>; Jeff Towery <Jeff.Towery@mcminnvilleoregon.gov>; Jose Lopez (<jblandscape09@comcast.net> <jblandscape09@comcast.net>); Rodrigo Lagunas (<Rodrigo.Lagunas@onemainfinancial.com> <Rodrigo.Lagunas@onemainfinancial.com>); andrew@macyandson.com; cpeters@recology.com; Patrick George <drpatgeorge@frontier.com>; Jack Maxwell (<jaxsindigo@gmail.com> <jaxsindigo@gmail.com>); joshua.miller@mywvmc.com; 'Kristi Reimer' <kristi@seatandhutch.com>; mrussell@msd.k12.or.us; Maryann Rodriguez <mrodrigu1@linfield.edu>; Kim Morris (<morrisinc@onlinemac.com> <morrisinc@onlinemac.com>); pam@lumsautocenter.com; griffin.zollner@usbank.com
Subject: Chamber Advocacy

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Thank you and keep it up!



Chris Chenoweth

 503.434.6209

 acupro@acupro-oregon.com

 www.acupro-oregon.com

 316 NE Johnson St.
McMinnville, OR 97128



PROCLAMATION

Whereas, child abuse is one of our nation’s most serious public health problems with scientific studies documenting the link between the abuse of children and a wide range of medical, emotional, psychological and behavioral disorders; and

Whereas, it is estimated that 1 in 4 children will suffer significant abuse before the age of 18 and annually over 80,000 Oregonian children -- 89,451 in 2019 -- are reported to the Department of Human Services as having been abused or neglected with 13,674 child abuse victims confirmed in 2019 alone, although many cases go unreported; and

Whereas, the physical, emotional, mental and financial impact of abuse falls on children of all ages and abilities, who come from all economic, racial and social backgrounds; and these crimes affect many more family members, friends, neighbors and community; and

Whereas, effective child abuse prevention efforts succeed because of partnerships created among state and local government agencies, schools, faith communities, civic and community organizations, law enforcement agencies, and the business community while recognizing that feeling connected to community can be a protective factor against child abuse; and

Whereas, is dedicated to stopping child abuse and supporting survivors and their non-offending families while working to prevent; and

Whereas, each of us has a role to play in stopping the problem of child abuse as part of solution – by learning how to prevent, recognize and report child abuse and supporting prevention, education and empowerment programs for children and youth.

NOW, THEREFORE, I, Scott A. Hill, Mayor of the City of McMinnville, do hereby proclaim April 2021 as

Child Abuse Prevention Month

In Witness Whereof, I have hereunto set my hand and caused the official Seal of the City of McMinnville to be affixed this 23rd day of March, 2021.

We reaffirm McMinnville, Oregon’s commitment to creating a safer, healthier, more thriving community for our children and taking steps to help prevent child abuse through awareness efforts, prevention promotion and trainings on responding responsibly. We encourage all citizens to Wear Blue on April 21, 2021 as a public statement in McMinnville in support of child abuse prevention! Further we call upon all citizens to invest in the lives of children by learning what they can do to help stop child abuse through Juliette’s House, a community resource, by visiting www.julietteshouse.org.

Scott A. Hill, Mayor



MEMORANDUM

To: McMinnville City Council

From: Captain Tim Symons

Date: March 3, 2021

Re: OLCC license application adjustments due to COVID-19 February 2021

Due to the COVID-19 pandemic and restrictions placed on OLCC licensed establishments by Governor Brown's Executive Order, OLCC has created temporary relief for their licenses. After consultation with City Manager Towery and in the interest of making sure the establishments are not adversely affected further, I will be signing and returning the license request to the establishment without sending it to City Council for approval. This will only be maintained for the timeframe in which the Governor's Order and OLCC guidelines are in place.

While we are working under these guidelines I will prepare a monthly report to City Council for those establishments that have submitted the required paperwork. Once business returns to normal, any licensing changes will return to the previously established process of approval by the McMinnville City Council.

For the month of February 2021 there were two (2) requests to adjust currently licensed establishments. Those requests were made by:

- Galvan and Jesus Galvan Inc. DBA: Mazatlan Mexican Restaurant located at 2714 N Hwy 99W
- Enrique Rodriguez DBA: El Primo Mexican Restaurant located at 825 SW Baker Street

CITY OF MCMINNVILLE - CASH AND INVESTMENT BY FUND
December 2020

FUND #	FUND NAME	GENERAL OPERATING		TOTAL
		CASH IN BANK	INVESTMENT	
01	General	\$2,075,623.40	\$9,986,602.84	\$12,062,226.24
05	Special Assessment	\$425.29	\$137,162.82	\$137,588.11
07	Transient Lodging Tax	\$458.05	(\$8,000.00)	(\$7,541.95)
10	Telecommunications	\$912.91	\$1,030.00	\$1,942.91
15	Emergency Communications	\$933.33	\$28,094.81	\$29,028.14
20	Street (State Tax)	\$416.67	\$1,561,992.83	\$1,562,409.50
25	Airport Maintenance	\$0.72	\$500,749.03	\$500,749.75
45	Transportation	\$160.55	\$2,139,002.62	\$2,139,163.17
50	Park Development	\$690.58	\$1,605,441.49	\$1,606,132.07
58	Urban Renewal	\$517.99	\$206,774.38	\$207,292.37
59	Urban Renewal Debt Service	\$941.53	\$453,804.35	\$454,745.88
60	Debt Service	\$109.08	\$3,602,487.44	\$3,602,596.52
70	Building	\$674.32	\$1,494,478.00	\$1,495,152.32
75	Wastewater Services	\$413.18	\$2,422,684.11	\$2,423,097.29
77	Wastewater Capital	\$497.08	\$35,066,103.65	\$35,066,600.73
80	Information Systems & Services	\$448.82	(\$6,908.53)	(\$6,459.71)
85	Insurance Reserve	\$830.14	\$1,195,290.54	\$1,196,120.68
CITY TOTALS		2,084,053.64	60,386,790.38	62,470,844.02

MATURITY			INTEREST	
DATE	INSTITUTION	TYPE OF INVESTMENT	RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.20%	\$ 2,084,053.64
N/A	Key Bank of Oregon	Money Market Savings Account	0.75%	\$ 13,035,646.70
N/A	State of Oregon	Local Government Investment Pool (LGIP)	0.75%	\$ 45,754,682.58
N/A	State of Oregon	Transportation Bond (LGIP)	0.75%	\$ 560,670.34
N/A	State of Oregon	Urban Renewal Loan Proceeds (LGIP)	0.75%	\$ 253,933.22
N/A	MassMutual Financial Group	Group Annuity	3.00%	\$ 781,857.54
				<u>\$ 62,470,844.02</u>
				\$ -



City Recorder Use

Final Action:
 Approved Disapproved

Liquor License Recommendation

BUSINESS NAME / INDIVIDUAL: Shannon Thorson DBA: C&C Wine Bar
BUSINESS LOCATION ADDRESS: 536 NE 3rd Street
LIQUOR LICENSE TYPE: Limited On-Premises

Is the business at this location currently licensed by OLCC

Yes No

If yes, what is the name of the existing business:

Hours of operation: Thursday – Sunday 11 am to 12 am
Entertainment: Live music, video lottery
Hours of Music: same as above
Seating Count: 64 total; 40 restaurant and 24 outdoors

EXEMPTIONS:
(list any exemptions)

Tritech Records Management System Check: Yes No
Criminal Records Check: Yes No
Recommended Action: Approve Disapprove

Chief of Police / Designee

City Manager / Designee



LIQUOR LICENSE APPLICATION

PRINT FORM

RESET FORM

1. Application. **Do not include** any OLCC fees with your application packet (the license fee will be collected at a later time). Application is being made for:

License Applied For:	CITY AND COUNTY USE ONLY
<input type="checkbox"/> Brewery 1 st Location	Date application received and/or date stamp: <u>3/9/2021</u>
Brewery Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	
<input type="checkbox"/> Brewery-Public House (BPH) 1 st location	Name of City or County: _____
BPH Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	
<input type="checkbox"/> Distillery	Recommends this license be: <input type="checkbox"/> Granted <input type="checkbox"/> Denied
<input type="checkbox"/> Full On-Premises, Commercial	
<input type="checkbox"/> Full On-Premises, Caterer	By: _____
<input type="checkbox"/> Full On-Premises, Passenger Carrier	
<input type="checkbox"/> Full On-Premises, Other Public Location	Date: _____
<input type="checkbox"/> Full On-Premises, For Profit Private Club	
<input type="checkbox"/> Full On-Premises, Nonprofit Private Club	OLCC USE ONLY
<input type="checkbox"/> Grower Sales Privilege (GSP) 1 st location	
GSP Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	Date application received: <u>3-8-2021</u>
<input checked="" type="checkbox"/> Limited On-Premises	Date application accepted: <u>3-8-2021</u> <u>Onwick</u>
<input type="checkbox"/> Off-Premises	License Action(s): <u>N/D</u>
<input type="checkbox"/> Warehouse	
<input type="checkbox"/> Wholesale Malt Beverage & Wine	RECEIVED OREGON LIQUOR CONTROL COMMISSION
<input type="checkbox"/> Winery 1 st Location	
Winery Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/> (4 th) <input type="checkbox"/> (5 th) <input type="checkbox"/>	

2. Identify the applicant(s) applying for the license(s). ENTITY (example: corporation or LLC) or INDIVIDUAL(S)¹ applying for the license(s):

Individual	na	SALEM REGIONAL OFFICE
App #1: NAME OF ENTITY OR INDIVIDUAL APPLICANT	App #2: NAME OF ENTITY OR INDIVIDUAL APPLICANT	
Shannon Thorson	na	
App #3: NAME OF ENTITY OR INDIVIDUAL APPLICANT	App #4: NAME OF ENTITY OR INDIVIDUAL APPLICANT	

3. Trade Name of the Business (Name Customers Will See)
C&C Wine Bar

4. Business Address (Number and Street Address of the Location that will have the liquor license)
536 NE 3rd Street

City McMinnville	County Yamhill	Zip Code 97128
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¹ Read the instructions on page 1 carefully. If an entity is applying for the license, list the name of the entity as an applicant. If an individual is applying as a sole proprietor (no entity), list the individual as an applicant.



**City of McMinnville
Fire Department**
175 NE 1st Street
McMinnville, OR 97128
(503) 435-5800
www.mcminnvilleoregon.gov

STAFF REPORT

DATE: March 12, 2021
TO: Mayor and City Councilors
FROM: Rich Leipfert, Fire Chief
SUBJECT: A Resolution to extend Resolution No. 2020-18 Declaring Local State of Emergency for City of McMinnville
STRATEGIC PRIORITY & GOAL:



COMMUNITY SAFETY & RESILIENCY

Proactively plan for & responsively maintain a safe & resilient community.

OBJECTIVE/S: Lead and plan for emergency preparedness

Report in Brief: This action is the consideration of a new resolution to extend Resolution No. 2020-18, Declaring Local State of Emergency for City of McMinnville.

Background: On March 16th, 2020, Mayor Hill declared a State of Emergency for the City of McMinnville due to the COVID-19 Virus and its impact on the City of McMinnville. This action is allowed by City Emergency Operations Plan adopted by City Council in 2009, and ORS 401. Resolution No. 2020-18 was ratified before City Council at the March 24th, 2020 Regular City Council Meeting and set to expire on May 1, 2020. Resolution 2020-28 went before City Council at the April 28th, 2020 Regular City Council meeting to extend Resolution 2020-18. Resolution 2020-28 was adopted and Emergency Declaration was extended to expire on June 27, 2020. Resolution 2020-43 went before City Council at the June 23rd, 2020 Regular City Council meeting to extend Resolution 2020-18. Resolution 2020-43 was adopted and Emergency Declaration was extended to expire on July 31, 2020. Resolution 2020-48 went before City Council at the July 28th, 2020 Regular City Council meeting to extend Resolution 2020-43. Resolution 2020-48 was adopted and Emergency Declaration was extended to expire on September 4, 2020. Resolution 2020-52 went before City Council at the August 25, 2020 Regular City Council meeting to extend Resolution 2020-43. Resolution 2020-52 was adopted and Emergency Declaration was extended to expire on October 2, 2020. Resolution 2020-59 went before City Council at the September 22, 2020 Regular City Council meeting to extend Resolution 2020-52. Resolution 2020-59 was adopted and Emergency Declaration was extended to expire on November 3, 2020. Resolution 2020-64 went before City Council at the October 22, 2020 Regular City Council meeting to extend Resolution 2020-59. Resolution 2020-64 was adopted and Emergency Declaration was extended to expire on February 28, 2021. Resolution 2021-07 went before City Council at the February 23, 2021 Regular City Council meeting to extend Resolution 2020-64. Resolution 2021-07 was adopted and Emergency Declaration was extended to expire on April 1, 2021.

Discussion: Resolution No. 2020-18 was scheduled to expire on May 1, 2020 but may be extended as necessary of the Common Council. COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency and therefore asking for Resolution No. 2021- 19 to extend the state of emergency to May 1, 2021, but may be extended again as necessary of the Common Council.

Attachments:

Proposed Resolution No. 2021-19
Resolution No. 2021-07
Resolution No. 2020-64
Resolution No. 2020-59
Resolution No. 2020-52
Resolution No. 2020-48
Resolution No. 2020-43
Resolution No. 2020-28
Resolution No. 2020-18
Signed Declaration of State of Emergency

Fiscal Impact: No changes

Recommendation: Council to adopt Resolution No. 2021-19 extending the duration of a State of Emergency for the City of McMinnville.

RESOLUTION NO. 2021-19

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Resolution No. 2020-48 was scheduled to remain in effect until September 4, but was extended to October 2, 2020 by Resolution No. 2020-52 by the Common Council on August 25, 2020; and

WHEREAS, Resolution No. 2020-52 was scheduled to remain in effect until October 2, but was extended to November 3, 2020 by Resolution No. 2020-59 by the Common Council on September 22, 2020; and

WHEREAS, Resolution No. 2020-59 was scheduled to remain in effect until November 3, 2020 but was extended to February 28, 2021 by Resolution No. 2020-64 by the Common Council on October 27, 2020; and

WHEREAS, Resolution No. 2020-64 was scheduled to remain in effect until February 28, 2021 but was extended to April 1, 2021 by Resolution No. 2021-07 by the Common Council on February 23, 2021; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43, 2020-48, 2020-52, 2020-59, 2020-64 and 2021-07; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended six times and most recently to April 1, 2021 in Resolution 2021-07 (February 23, 2021 at Regular City Council Meeting) and shall be extended to May 1, 2021 by Resolution 2021-19.
3. This resolution is effective immediately and shall remain in effect until May 1, 2021, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: _____

Nays: _____

Abstain: _____

Approved this 23rd day of March 2021.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder

RESOLUTION NO. 2021-07

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Resolution No. 2020-48 was scheduled to remain in effect until September 4, but was extended to October 2, 2020 by Resolution No. 2020-52 by the Common Council on August 25, 2020; and

WHEREAS, Resolution No. 2020-52 was scheduled to remain in effect until October 2, but was extended to November 3, 2020 by Resolution No. 2020-59 by the Common Council on September 22, 2020; and

WHEREAS, Resolution No. 2020-59 was scheduled to remain in effect until November 3, 2020 but was extended to February 28, 2021 by Resolution No. 2020-64 by the Common Council on October 27, 2020; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43, 2020-48, 2020-52, 2020-59 and 2020-64; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended five times and most recently to February 28, 2021 in Resolution 2020-64 (October 27, 2020 at Regular City Council Meeting) and shall be extended to April 1, 2021 by Resolution 2021-07.
3. This resolution is effective immediately and shall remain in effect until April 1, 2021, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of February 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____


Abstain: _____

Approved this 23rd day of February 2021.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-64

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Resolution No. 2020-48 was scheduled to remain in effect until September 4, but was extended to October 2, 2020 by Resolution No. 2020-52 by the Common Council on August 25, 2020; and

WHEREAS, Resolution No. 2020-52 was scheduled to remain in effect until October 2, but was extended to November 3, 2020 by Resolution No. 2020-59 by the Common Council on September 22, 2020; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43, 2020-48, 2020-52 and 2020-59; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended four times and most recently to November

- 3, 2020 in Resolution 2020-59 (September 22, 2020 at Regular City Council Meeting) and shall be extended to February 28, 2021 by Resolution 2020-64.
3. This resolution is effective immediately and shall remain in effect until February 28, 2021, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 27th day of October 2020 by the following votes:

Ayes: _____ Drabkin, Garvin, Geary, Menke, Peralta, Stassens _____

Nays: _____


Abstain: _____

Approved this 27th day of October 2020.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-59

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Resolution No. 2020-48 was scheduled to remain in effect until September 4, but was extended to October 2, 2020 by Resolution No. 2020-52 by the Common Council on August 25, 2020; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43, 2020-48 and 2020-52; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended four times and most recently to October 2, 2020 in Resolution 2020-52 (August 25, 2020 at Regular City Council Meeting) and shall be extended to October 2nd, 2020 by Resolution 2020-59.
3. This resolution is effective immediately and shall remain in effect until November 3, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 22nd day of September 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

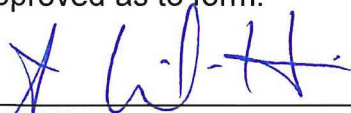
Abstain: _____

Approved this 22nd day of September 2020.




MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-52

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, Resolution No. 2020-43 was scheduled to remain in effect until July 31, but was extended to September 4, 2020 by Resolution No. 2020-48 by the Common Council on July 18, 2020; and

WHEREAS, Adoption of this resolution will repeal and replace City of McMinnville Resolution No.'s 2020-28, 2020-43 and 2020-48; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was been extended three times and most recently to September 4, 2020 in Resolution 2020-48 (July 28, 2020 at Regular City Council Meeting) and shall be extended to October 2nd, 2020 by Resolution 2020-52.
3. This resolution is effective immediately and shall remain in effect until October 2, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 25th day of August 2020 by the following votes:

Ayes: Drabkin, Garvin, Menke, Peralta, Stassens

Nays: _____

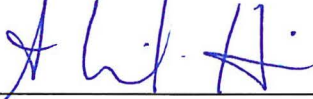
Abstain: _____

Approved this 25th day of August 2020.



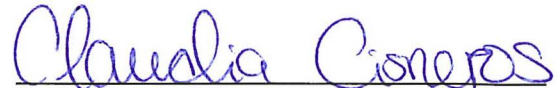
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-48

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, Resolution No. 2020-28 was scheduled to remain in effect until June 27, 2020, but was extended to July 31, 2020 by Resolution No. 2020-43 by the Common Council on June 23, 2020; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was extended to July 31, 2020 in Resolution 2020-43 (June 23, 2020) and shall be extended to September 4, 2020 by Resolution 2020-48.
3. This resolution is effective immediately and shall remain in effect until September 4, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 28th day of July 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens


Nays: _____

Approved this 28th day of July 2020.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-43

A Resolution for City of McMinnville, Oregon Extending the City's Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but was extended to June 27, 2020 by Resolution No. 2020-28 by the Common Council on April 28, 2020; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City's ability to respond and recover from this emergency.
2. The Emergency Declaration was established in Resolution 2020-18 (March 24, 2020) the resolution was extended to June 27, 2020 in Resolution 2020-28 (April 28, 2020) shall be extended to July 31, 2020.
3. This resolution is effective immediately and shall remain in effect until July 31, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of June 2020 by the following votes:

Ayes: _____ Drabkin, Garvin, Geary, Menke, Peralta, Stassens _____

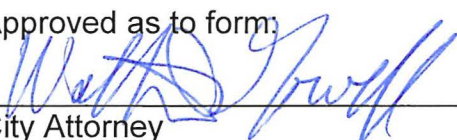
Nays: _____

Approved this 23rd day of June 2020.




MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-28

A Resolution for City of McMinnville, Oregon Extending the City’s Declaration of State of Emergency Expressed in Resolution 2020-18.

RECITALS:

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020; and

WHEREAS, McMinnville City Council ratified Resolution No. 2020-18 effective March 24, 2020 declaring a state of emergency for the entire City of McMinnville in response to the COVID-19 pandemic; and

WHEREAS, Resolution No. 2020-18 was scheduled to remain in effect until at least May 1, 2020, but may be extended as necessary by the Common Council; and

WHEREAS, COVID-19 continues to present a high potential public health threat to public health and safety, the duration of which is still unknown.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. The declaration of emergency is still needed to address the City’s ability to respond and recover from this emergency.
2. The Emergency Declaration established in Resolution 2020-18 (March 24, 2020) shall be extended to June 27, 2020.
3. This resolution is effective immediately and shall remain in effect until June 27, 2020, but may be extended as necessary by the Common Council.

Adopted by the Common Council of the City of McMinnville at a meeting held the 28th day of April 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 28th day of April 2020.



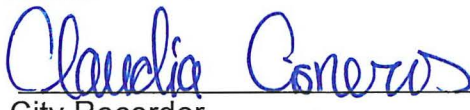
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

RESOLUTION NO. 2020-18

A Resolution for City of McMinnville, Oregon Ratifying the Declaration of State of Emergency signed by Mayor Scott Hill on March 16, 2020.

RECITALS:

WHEREAS, Governor Kate Brown, on March 8, 2020 declared a state of emergency due to the COVID-19 virus, finding that COVID-19 has created a threat to public health and safety, and constitutes a statewide emergency under ORS 401.025(1); and

WHEREAS, The World Health Organization, on March 11, 2020 declared COVID-19 to be a pandemic threat that causes respiratory distress with the potential to cause serious illness and loss of life; and

WHEREAS, The City of McMinnville may require significant resources to provide for the health and safety of residents; and

WHEREAS, The State of Oregon, pursuant to ORS 401.309(1); authorizes the governing body of Oregon cities and counties to declare a local state of emergency; and

WHEREAS, The City of McMinnville, pursuant to the Emergency Operation Plan authorized the Mayor to declare a local state of emergency; and

WHEREAS, The Mayor of the City of McMinnville finds that conditions require a local state of emergency; and

WHEREAS, The Mayor of the City of McMinnville signed a Declaration of State of Emergency on March 16, 2020;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MCMINNVILLE OREGON, HEREBY RATIFY THE DECLARATION OF STATE OF EMERGENCY SIGNED BY MAYOR SCOTT HILL ON MARCH 16,2020 AND AUTHORIZES THE FOLLOWING:

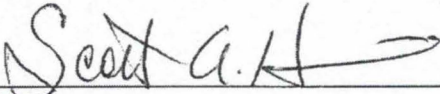
1. City Manager of the City of McMinnville, as the Emergency Manager as indicated in the Emergency Operation Plan, may take any and all necessary steps authorized by law to coordinate a response to this emergency; and
2. The state of emergency declaration provides the City Manager of the City of McMinnville is authorized to reallocate any city funds for emergency use; and
3. City Manager of the City of McMinnville is authorized to coordinate an effective response by redirecting funding for emergency use as needed and suspending standard procurement procedures; and
4. This resolution is effective immediately and shall remain in effect until at least May 1, 2020, but may be extended as necessary.

Adopted by the Common Council of the City of McMinnville at a meeting held the 24th day of March 2020 by the following votes:

Ayes: ~~Drabkin~~, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 24th day of March 2020.



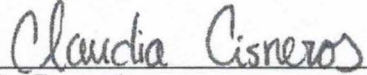
MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder



City Recorder Use

Final Action:
 Approved Disapproved

Liquor License Recommendation

BUSINESS NAME / INDIVIDUAL: Bierly Brewing LLC
BUSINESS LOCATION ADDRESS: 624 NE 3rd Street
LIQUOR LICENSE TYPE: Brewery-Public House 1st Location

Is the business at this location currently licensed by OLCC

Yes No

If yes, what is the name of the existing business:

Hours of operation: Friday-Sunday 12pm to 6pm

Entertainment: _____

Hours of Music: same as above

Seating Count: 33 total; 17 restaurant and 16 outdoor

EXEMPTIONS:

(list any exemptions)

Tritech Records Management System Check: Yes No

Criminal Records Check: Yes No

Recommended Action: Approve Disapprove

Chief of Police / Designee

City Manager / Designee



LIQUOR LICENSE APPLICATION

PRINT FORM

RESET FORM

1. Application. **Do not include** any OLCC fees with your application packet (the license fee will be collected at a later time). Application is being made for:

License Applied For:	CITY AND COUNTY USE ONLY
<input type="checkbox"/> Brewery 1 st Location Brewery Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	Date application received and/or date stamp: 3/10/22
<input checked="" type="checkbox"/> Brewery-Public House (BPH) 1 st location BPH Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	Name of City or County:
<input type="checkbox"/> Distillery	Recommends this license be:
<input type="checkbox"/> Full On-Premises, Commercial	<input type="checkbox"/> Granted <input type="checkbox"/> Denied
<input type="checkbox"/> Full On-Premises, Caterer	By: _____
<input type="checkbox"/> Full On-Premises, Passenger Carrier	Date: _____
<input type="checkbox"/> Full On-Premises, Other Public Location	
<input type="checkbox"/> Full On-Premises, For Profit Private Club	
<input type="checkbox"/> Full On-Premises, Nonprofit Private Club	
<input type="checkbox"/> Grower Sales Privilege (GSP) 1 st location GSP Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/>	OLCC USE ONLY
<input type="checkbox"/> Limited On-Premises	Date application received: 2-26-2021
<input type="checkbox"/> Off-Premises	Date application accepted: 3-4-2021
<input type="checkbox"/> Warehouse	RECEIVED OREGON LIQUOR CONTROL COMMISSION FEB 26 2021
<input type="checkbox"/> Wholesale Malt Beverage & Wine	License Action(s): OLCC
<input type="checkbox"/> Winery 1 st Location Winery Additional location (2 nd) <input type="checkbox"/> (3 rd) <input type="checkbox"/> (4 th) <input type="checkbox"/> (5 th) <input type="checkbox"/>	

2. Identify the applicant(s) applying for the license(s). **ENTITY (example: corporation or LLC) or INDIVIDUAL(S)**¹
applying for the license(s):
Bierly Brewing, LLC

App #1: NAME OF ENTITY OR INDIVIDUAL APPLICANT _____ App #2: NAME OF ENTITY OR INDIVIDUAL APPLICANT _____

App #3: NAME OF ENTITY OR INDIVIDUAL APPLICANT _____ App #4: NAME OF ENTITY OR INDIVIDUAL APPLICANT _____

3. Trade Name of the Business (Name Customers Will See) Bierly Brewing		
4. Business Address (Number and Street Address of the Location that will have the liquor license) 624 NE Third St		
City McMinnville	County Yamhill	Zip Code 97128

¹ Read the instructions on page 1 carefully. If an entity is applying for the license, list the name of the entity as an applicant. If an individual is applying as a sole proprietor (no entity), list the individual as an applicant.
OLCC Liquor License Application (Rev. 9.28.20) 31 of 304



STAFF REPORT

DATE: March 12, 2021
TO: Jeff Towery, City Manager
FROM: Mike Bisset, Community Development Director
SUBJECT: Oregon State Police Lease Request

Report in Brief:

This action is the consideration of a resolution approving a new lease agreement with the Oregon State Police (OSP) for 8,004 square feet of office space, and 1,676 square feet of separate storage space, in the City owned building at 3975 Cirrus Avenue.

Background:

The OSP has leased the office space since March 2009 (see attached 2009 lease document), and the separate storage space was added via a lease amendment in 2013 (see attached 2013 lease amendment).

The amended lease was through April 2019. While the lease did include provisions for a five-year extension through April 2024, the OSP requested a new lease agreement, using current lease provisions, rather than a blanket five-year extension. Since 2019, staff has been working with OSP and Oregon Department of Administrative Services staff to negotiate a new long-term lease.

Discussion:

The final proposed lease is attached. The initial lease term is for five years, through March 2026; and the initial lease rate is approximately \$1.25 per rentable square foot (RSF), and escalates by 3% each year through the initial lease term.

The lease allows for two 5-year extensions of the lease. The lease amount during the extension period(s) will be adjusted as outlined in section 7.2 of the proposed lease.

The Airport Commission considered the new lease agreement at their meeting on March 2, 2021. The Commission unanimously recommended that the City Council approve the lease agreement.

Attachments:

1. Proposed Resolution 2021-14
2. Proposed Lease Agreement
3. OSP Lease Amendment - 2013
4. OSP Lease - 2009

Fiscal Impact:

The lease revenue is included in the proposed FY21 Airport Fund budget, and is used to fund airport operations.

Recommendation:

The Airport Commission recommends that the City Council adopt the attached resolution approving a new lease agreement with the Oregon State Police (OSP) for 8,004 square feet of office space, and 1,676 square feet of separate storage space, in the City owned building at 3975 Cirrus Avenue.

RESOLUTION NO. 2021 - 14

A Resolution approving a new lease agreement with the Oregon State Police for 8,004 square feet of office space, and 1,676 square feet of separate storage space, in the City owned building at 3975 Cirrus Avenue.

RECITALS:

This Resolution authorizes a new lease agreement with the Oregon State Police for 8,004 square feet of office space, and 1,676 square feet of separate storage space, real property at the McMinnville Municipal Airport.

The public interest will be best served by entering into the lease for the generation of revenue.

The lease is for a period of five (5) years, with the possibility of two (2) five (5) year extensions.

The initial consideration for the lease of this property is a monthly cash payment to the City of \$12,662.18 per month. The City will pay the real property taxes on this property.

The Airport Commission considered the proposed lease at the March 2, 2021 Commission meeting, and unanimously recommended that the City Council approve the lease.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. That the lease to State of Oregon, acting by and through its Oregon State Police is hereby approved.
2. That the City Manager is authorized and directed to execute the lease agreement.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____

Approved this 23rd day of March 2021.



Council President

Approved as to form:

Attest:

City Attorney

City Recorder

STATE OF OREGON LEASE

THIS STATE OF OREGON LEASE (this “**Lease**”) is made and entered into as of the ____ day of _____, 2021 (the “**Lease Effective Date**”), by and between Landlord and Tenant (each a “**Party**” and together the “**Parties**”), as set forth below.

Pursuant to that certain Lease dated March 19, 2009, as amended on January 1, 2013, April 1, 2013, April 3, 2019, May 29, 2019, August 26, 2019, October 18, 2019, April 16, 2020, June 12, 2020, July 10, 2020, August 27, 2020, September 17, 2020, November 9, 2020 and January 14, 2021 (as so amended, the “**Existing Lease**”), Tenant has been leasing from Landlord the Premises (as defined below). The Existing Lease expires March 31, 2021.

Under the Existing Lease, Tenant rents approximately 8,004.38 rentable square feet in the Building, and also rents separate storage space on the Property (as defined below). The Parties have agreed that Tenant’s Premises will expand by approximately 1,675.62 rentable square feet. The Parties acknowledge and agree that they are entering into this new Lease in order to memorialize this expansion of the Premises, and to simplify and update the documentation of their agreements concerning the Premises going forward. The provisions of this Lease are effective as of the Commencement Date (as defined below) and, as of the Commencement Date, this Lease supersedes and cancels the Existing Lease in its entirety.

SECTION 1: BASIC LEASE PROVISIONS

- | | | |
|-----|--|---|
| 1.1 | Landlord | City of McMinnville, a political subdivision of the State of Oregon |
| 1.2 | Tenant | The State of Oregon, acting by and through its Oregon State Police |
| 1.3 | Premises
Street:
City, State, ZIP:
County:
(Section 2.1(a)) | 3975 SE Cirrus Avenue
McMinnville, Oregon 97128
Yamhill |
| 1.4 | Property Tax Lot(s) | <i>Intentionally Omitted</i> |
| 1.5 | Premises Square Footage
Building Square Footage
(Section 2.1(b)) | 9,680 rsf
10,000 rsf |
| 1.6 | Tenant’s Building Proportionate Share
(Section 2.2) | 96.8% |
| 1.7 | Commencement Date
Expiration Date
(Section 3) | April 1, 2021
March 31, 2026 |
| 1.8 | Initial Term
(Section 4) | 5 years |

- 1.9 **Monthly TI Payment** *Intentionally Omitted*
- 1.10 **Amortization Information** *Intentionally Omitted*
- 1.11 **Monthly Rent Table**
(Section 5.5) The Monthly Base Rent commences at approximately \$1.25 per RSF and escalates 3% each year

Lease Year	Months	Monthly Base Rent	+ Monthly Storage Space Rent	= Monthly Rent
04/01/2021 - 09/30/2021	01 – 06	\$12,059.42	\$602.76	\$12,662.18
10/01/2021 - 09/30/2022	07 – 18	\$12,421.20	\$602.76	\$13,023.96
10/01/2022 - 09/30/2023	19 – 30	\$12,793.84	\$602.76	\$13,396.60
10/01/2023 - 09/30/2024	31 – 42	\$13,177.65	\$602.76	\$13,780.41
10/01/2024 - 09/30/2025	43 – 54	\$13,572.98	\$602.76	\$14,175.74
10/01/2025 - 03/30/2026	55 – 60	\$13,980.17	\$602.76	\$14,582.93

- 1.12 **Improvement Allowance** *Intentionally Omitted*
- Tenant’s Share of Improvement Costs** *Intentionally Omitted*
- 1.13 **Moving Allowance** *Intentionally Omitted*
- 1.14 **Expansion Space** *Intentionally Omitted*
- 1.15 **Extension Option**
(Section 7.1) two (2) Extension Options for consecutive terms of five (5) years, with 120 days’ notice
- 1.16 **Use**
(Section 11) the general purposes of government office use and client services
- 1.17 **Parking Rights**
(Section 12) any of the parking spaces in the Common Areas
- 1.18 **Utilities and Services**
(Section 13.1)

Utility/Service	Included in Monthly Base Rent	Paid directly by Tenant
Water		X
Sewer		X
Electricity		X
Gas		X
Trash removal		X
Recycling		X
Janitorial services and supplies		X

Window washing		X
Snow and ice removal		X
Security		X
Pest control		X

- 1.19 **Minimum Carpet/Floor Covering Replacement Interval** every ten (10) years
Minimum Repainting Interval touch-up painting every five (5) years;
(Sections 14.1(b) and (c)) full repainting every ten (10) years
- 1.20 **Property Manager** *Intentionally Omitted*
- 1.21 **Brokers** *Intentionally Omitted*
(Section 36.12)

SECTION 2: PREMISES

2.1 Generally.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises (the “**Premises**”) shown on Exhibit A, located in the building or project (the “**Building**”) and on the real property (the “**Property**”) shown on Exhibit A. Any reference in this Lease to the “Property” shall mean the Premises, the Building and the Property, as the context so requires.

The Premises address is:

Street: 3975 SE Cirrus Avenue
City, State, ZIP: McMinnville, Oregon 97128
County: Yamhill

(b) The Premises are 9,680 rentable square feet (the “**Premises Square Footage**”). The Building is 10,000 rentable square feet (the “**Building Square Footage**”). All square footage amounts set forth in this Section 2.1(b) are based on Landlord’s knowledge and information as of the Lease Effective Date.

2.2 Tenant’s Proportionate Share. “**Tenant’s Building Proportionate Share,**” which represents that portion of the whole that the Premises Square Footage bears to the Building Square Footage, is 96.8%.

2.3 Storage Space. Tenant also rents from Landlord the “**Storage Space**” shown on Exhibit A, being a 780-square foot storage building on the west side of the Property that was constructed in 2012.

2.4 Common Areas. Tenant’s lease of the Premises includes the appurtenant, nonexclusive right to use, in common with other authorized users, all areas and facilities outside the Premises, in the Building, on the Property or otherwise under Landlord’s control, that are provided by Landlord for the appurtenant, nonexclusive use of Landlord, Tenant and other tenants of the Property and their respective agents, employees and invitees (the “**Common Areas**”), including any such areas shown on Exhibit A. Landlord shall not alter any portion of the Common Areas

in any manner that materially reduces Tenant's access to or use of the Premises, the Building or any parking spaces or areas related to the Parking Rights without Tenant's prior consent, which shall not be unreasonably withheld, conditioned or delayed.

SECTION 3: COMMENCEMENT AND EXPIRATION DATES

The Initial Term of this Lease (as defined in Section 4 below) shall begin on April 1, 2021 (the "**Commencement Date**") and expire on March 31, 2026 (the "**Expiration Date**").

SECTION 4: TERM

The "**Initial Term**" of this Lease is five (5) years, beginning on the Commencement Date and expiring on the Expiration Date, unless sooner terminated as provided herein. The word "**Term**" is used in this Lease to describe the Initial Term, as it may be extended in connection with a short-term extension pursuant to Section 27.2 below, and any Extension Term (as defined in Section 7.1 below).

SECTION 5: RENT AND ALLOWANCES

5.1 Monthly Base Rent; Monthly Storage Space Rent.

(a) *Monthly Base Rent.* "**Monthly Base Rent**" means the amounts set forth in the "**Monthly Rent Table**" in Section 1.11 above or the Monthly Base Extension Rent (as defined in Section 7.2(a) below), for the periods of this Lease (the "**Lease Years**").

(b) *Monthly Storage Space Rent.* "**Monthly Storage Space Rent**" means the amount set forth in the Monthly Rent Table in Section 1.11 above.

5.2 Monthly Rent. "**Monthly Rent**" means the sum of the Monthly Base Rent (from the applicable Lease Year) and the Storage Space Rent.

5.3 Additional Rent. "**Additional Rent**" means all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever payable by Tenant under this Lease, except for Monthly Base Rent.

5.4 Payment of Monthly Rent. From and after the Commencement Date, and throughout the Term of this Lease, Tenant shall pay Monthly Rent to Landlord, in advance, on or before the fifth (5th) day of each month, without notice or demand and without offset or deduction except as specifically provided in this Lease, and at Landlord's Address (as defined in Section 35.1 below). Monthly Rent for any partial calendar month shall be prorated on a per diem basis, based on a 365-day calendar year.

5.5 Monthly Rent Table. The Monthly Base Rent commences at approximately \$1.25 per rentable square foot, and escalates three percent (3%) every Lease Year, as set forth in Section 1.11 above.

5.6 Improvement Allowance; Tenant's Share of Improvement Costs. *Intentionally Omitted*

5.7 Moving Allowance. *Intentionally Omitted*

SECTION 6: OPTION TO EXPAND PREMISES *Intentionally Omitted*

SECTION 7: OPTION TO EXTEND TERM

7.1 Generally. So long as there is not then any material Tenant Default under this Lease, Tenant has two (2) options to extend this Lease for consecutive terms of five (5) years each (each an “**Extension Option**”), unless such extension is prohibited by the master plan for the McMinnville Airport or the requirements of the Federal Aviation Administration. With the exception of the amount of Monthly Base Rent and any terms or conditions that the Parties modify in writing, all terms and conditions of this Lease shall apply during any such extension term (an “**Extension Term**”). To exercise an Extension Option, Tenant shall deliver notice to Landlord of such exercise (an “**Extension Exercise Notice**”) at least one hundred twenty (120) days prior to the Expiration Date or the expiration of the then-current Extension Term, as the case may be (the “**Applicable Expiration Date**”). The date of Tenant’s delivery of an Extension Exercise Notice is the “**Extension Exercise Date.**” If the extension of the Term of this Lease is prohibited by the master plan for the McMinnville Airport or the requirements of the Federal Aviation Administration, Landlord shall deliver notice of and documentation for such prohibition within ten (10) business days after the Extension Exercise Date. An Extension Term shall commence on the day following the Applicable Expiration Date.

7.2 Monthly Base Extension Rent.

(a) Monthly Base Rent for an Extension Term (the “**Monthly Base Extension Rent**”) shall be either: an amount agreed upon by the Parties pursuant to Section 7.2(b) below; or equal to the Fair Market Value Rent for the Premises, as determined by the Parties pursuant to Section 7.2(c) below. “**Fair Market Value Rent**” means the monthly base rent that a tenant of comparable creditworthiness would pay in an arms-length transaction for a term the same length as the Extension Term and, except for the Monthly Base Rent, on the same terms and conditions as set forth herein, for a comparable space and use in the metropolitan area in which the Property is located, taking into account, without limitation: the Building’s location, condition, age, identity, services, amenities and Common Areas; the Premises’ improvements, floor and view; and other pertinent considerations.

(b) The Parties shall attempt in good faith to agree on the Monthly Base Extension Rent at least ninety (90) days before the Applicable Expiration Date.

(c) If the Parties do not timely agree on the Monthly Base Extension Rent pursuant to Section 7.2(b) above, the Monthly Base Extension Rent shall be based on the Fair Market Value Rent, to be determined as follows:

(i) At least seventy-five (75) days before the Applicable Expiration Date, each Party shall submit to the other its final proposal for the Monthly Base Extension Rent (an “**Extension Proposal**”). If one Party fails to timely provide the other Party with its Extension Proposal, then the other Party’s Extension Proposal shall be deemed to be the

Monthly Base Extension Rent. If the difference between the Parties' Extension Proposals is five percent (5%) or less, the Monthly Base Extension Rent shall be the average of the two Extension Proposals.

(ii) If the difference between the Parties' Extension Proposals is greater than five percent (5%), then the Parties shall select an appraiser (the "**Appraiser**") to determine the Monthly Base Extension Rent. The Appraiser shall be chosen as follows: at least sixty (60) days before the Applicable Expiration Date, Landlord shall deliver to Tenant a list of at least three (3) independent Oregon State Certified General Appraisers who have at least ten (10) years of experience in commercial real estate in the metropolitan area in which the Property is located, and at least forty-five (45) days before the Applicable Expiration Date, Tenant shall notify Landlord of its choice of the Appraiser from said list. Notwithstanding the foregoing, if Landlord fails to timely deliver the list to Tenant, then Tenant's choice of an appraiser meeting the foregoing criteria shall be deemed the Appraiser; and if Landlord does timely deliver the list to Tenant, and Tenant fails to timely respond, then Landlord's choice of an appraiser from the list shall be deemed the Appraiser.

(iii) At least thirty (30) days before the Applicable Expiration Date, both Parties shall submit their Extension Proposals to the Appraiser, and on or before the Applicable Expiration Date, the Appraiser shall choose one of the Parties' Extension Proposals as the Monthly Base Extension Rent, or may select a Monthly Base Extension Rent that is not less than the lower of the two Extension Proposals and not more than the higher of the two Extension Proposals if the Appraiser's review of the applicable commercial real estate market and the Property warrants a different Monthly Base Extension Rent. If the Appraiser does not timely determine the Monthly Base Extension Rent, then the Monthly Base Extension Rent shall temporarily be determined pursuant to Section 7.2(d) below. The Party whose Extension Proposal is not selected by the Appraiser shall pay the Appraiser's costs and fees. If the Appraiser selects a Monthly Base Extension Rent different from either of the two Extension Proposals, the Parties will each pay fifty (50) percent of the Appraiser's costs and fees.

(d) If, as of the commencement of the Extension Term, the Monthly Base Extension Rent has not yet been determined pursuant to Section 7.2(b) or (c) above, then until the Monthly Base Extension Rent is so determined, Tenant shall continue to pay the same Monthly Base Rent as in the immediately preceding month. If the Monthly Base Extension Rent is determined to be more than such Monthly Base Rent, then Tenant shall, in its discretion, either pay to Landlord the full amount of the resulting underpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or increase the next twelve (12) Monthly Rent payments by an amount equal to 1/12 of the underpayment. If the Monthly Base Extension Rent is determined to be less than such Monthly Base Rent, then Landlord shall, in its discretion, either refund to Tenant the full amount of the resulting overpayment within thirty (30) days after the determination of the Monthly Base Extension Rent, or credit the full amount of the overpayment to Tenant against the next Monthly Rent due until paid in full.

7.3 Extension Amendment.

(a) *Amendment.* If Tenant exercises an Extension Option pursuant to Section 7.1 above, then within sixty (60) days after the Monthly Base Extension Rent is determined pursuant to Section 7.2 above, Tenant shall deliver to Landlord an “**Extension Amendment**” that sets forth:

- (i) the commencement date and the expiration date of the Extension Term (which expiration date shall thereafter be the Expiration Date);
- (ii) the Monthly Base Extension Rent as determined pursuant to Section 7.2 above;
- (iii) any Minimum Carpet/Floor Covering Replacement Interval and Minimum Repainting Interval (as defined in Sections 14.1(b) and (c) below respectively) that are applicable to the Extension Term; and
- (iv) any related matters as may be necessary and proper.

(b) *Delivery and Execution.* Within fifteen (15) business days after delivery of the Extension Amendment, Landlord shall either execute the Extension Amendment to indicate Landlord’s acceptance, or give notice to Tenant that Landlord disputes it. Landlord’s failure to timely execute or dispute the Extension Amendment shall be deemed acceptance thereof. If Landlord gives notice to Tenant that it disputes the Extension Amendment, the Parties shall attempt in good faith to resolve the dispute within ten (10) business days after such notice. The Parties may resolve any remaining dispute in a court, subject to Section 36.9 below.

(c) *Effectiveness.* An Extension Option, if exercised by Tenant in accordance with the requirements of this Lease, is effective on the terms and conditions set forth in this Section 7 as of the Extension Exercise Date, regardless of when or whether the Parties execute the Extension Amendment.

SECTION 8: OPERATING EXPENSES *Intentionally Omitted*

SECTION 9: ADJUSTMENTS TO MONTHLY OPERATING EXPENSES
Intentionally Omitted

SECTION 10: EXEMPTION FROM REAL PROPERTY TAXES

10.1 Generally. “**Taxes**” means: (a) all property taxes and assessments of any public authority against the Building and the portion of the Property upon which the Building is located, and the ownership, management or operation thereof; (b) any rent tax, local improvement district tax, gross receipts tax and tax on Landlord’s interest under this Lease; and (c) any tax in lieu of or in addition to the foregoing, whether such tax is now in effect.

10.2 Exemption from Real Property Taxes. The Property is exempt from Taxes pursuant to ORS 307.090. The Monthly Rent payable by Tenant under this Lease reflects the savings resulting from such exemption of the Property from Taxes.

SECTION 11: USE

Tenant may use the Premises for all purposes related to the conduct of its business as an agency

of the State of Oregon and related ancillary purposes, and for the general purposes of government office use and client services.

SECTION 12: PARKING

12.1 Parking Rights. Tenant may use any of the parking spaces on the Property, as shown on Exhibit A (Tenant's rights to such parking spaces or areas being the "**Parking Rights**"). Tenant, its agents, employees and invitees shall have the right to use any parking spaces or areas related to the Parking Rights at all times on a first-come, first-served basis with other tenants of the Building and other persons who have the right to use such parking spaces or areas.

12.2 Tenant's Use and Access. Landlord shall take all reasonable measures to ensure that the use of and access to the parking spaces or areas related to the Parking Rights by Tenant, its agents, employees and invitees are not in any way disrupted.

SECTION 13: UTILITIES AND SERVICES

13.1 Availability. Landlord shall ensure that the utilities and services listed in the Utilities and Services Table in Section 1.18 above are provided to the Premises, and, in the event of any disruption due to any acts or omissions by Landlord or any matter within Landlord's control, shall restore such utilities or services as promptly as possible, and if any such disruption continues for more than twenty-four (24) hours, then Monthly Rent shall be abated in proportion to the interference due to such disruption. If any such disruption continues for more than seventy-two (72) consecutive hours, regardless of fault, then Monthly Rent shall be abated in proportion to the interference with Tenant's use of the Premises due to such disruption.

13.2 Costs and Payment.

(a) *Generally*. Tenant shall timely pay the providers for all utilities and services to the Building as listed in the Utilities and Services Table in Section 1.18 above as "Paid directly by Tenant."

(b) *Arrangements with FAA*. The Federal Aviation Administration (the "FAA") is the other tenant in the Building, with offices totaling 320 rentable square feet as shown on Exhibit A. Pursuant to an agreement between Tenant and the FAA, FAA will annually reimburse Tenant for the FAA's share of the utilities listed in the Utilities and Services Table in Section 1.18 above as "Paid directly by Tenant."

13.3 Janitorial Services and Supplies. *Intentionally Omitted*

13.4 Other Utilities and Services. Tenant may, at its sole cost and expense, obtain any utilities and services for the Premises necessary or desirable to Tenant that are not listed in the Utilities and Services Table in Section 1.18 above, and Landlord shall reasonably cooperate therewith, including by granting access to the roof of the Building, as necessary or appropriate for the installation or provision of such utilities and services.

SECTION 14: MAINTENANCE, REPAIR AND REPLACEMENT

14.1 Landlord's Responsibilities.

(a) *Generally.* Landlord shall, at its sole cost and expense, perform all maintenance, repair and replacement that are necessary or appropriate to operate and keep the Property in a first-class manner and condition, including, without limitation, the following:

- (i) maintenance, repair and replacement of the Building's structural elements, foundation, roof, floors, carpets and other floor coverings (including those in the Premises, as set forth in Section 14.1(b) below);
- (ii) interior and exterior walls (including painting the interior walls of the Premises, as set forth in Section 14.1(c) below), doors, windows, window treatments and elevators;
- (iii) Common Areas and parking areas, including any parking spaces or areas related to the Parking Rights;
- (iv) outdoor areas, landscaping, irrigation systems and backflow testing;
- (v) interior and exterior lighting and lighting systems (including bulbs, ballasts, LED fixtures, sensors and diodes);
- (vi) electrical, plumbing and sewer systems;
- (vii) heating, ventilation and air conditioning systems (collectively the "**HVAC System**"), as set forth more completely in Section 14.1(d) below;
- (viii) fire alarms, fire suppression systems, sprinkler systems and fire extinguishers; and
- (ix) Landlord-provided appliances and replacement parts and systems therefore (such as filters).

Landlord's obligations under this Section 14.1 do not include any maintenance, repair or replacement that Tenant is obligated to perform pursuant to Section 14.2 below.

Tenant's Right to Cure and Offset. For the avoidance of doubt, Tenant's right to cure any Landlord Default (as defined in Section 34.1 below) and offset the costs thereof against Tenant's payment of Monthly Rent, as set forth in Section 34 below, includes any Landlord Default arising from Landlord's failure to perform any of its maintenance, repair or replacement obligations under this Section 14.1, except as set forth in "Tenant's Right to Perform and Offset" set forth below in this Section 14.1(a).

Tenant's Right to Perform and Offset. Landlord shall make its best-faith efforts to perform all of its maintenance, repair and replacement obligations under this Section 14.1. If, however, Landlord is unable to perform any such specific work, Landlord shall promptly notify Tenant, and Tenant may (but is not obligated to) perform such specific work, and may deduct from any future Monthly Rent due any and all of its actual and reasonable costs and expenses relating to performing the work, as well as a reasonable administrative fee. For the avoidance of doubt, Tenant's right under this Subsection entitled "Tenant's Right to Perform and Offset," to perform

Landlord's maintenance, repair and replacement obligations if Landlord notifies Tenant pursuant to this Subsection that Landlord is unable perform any such specific work, and to deduct the costs, shall be Tenant's sole and exclusive remedy under this Subsection, and shall not serve as the basis for a Landlord Default. Such offset right shall begin immediately upon Tenant's completion of the work, or any part thereof. Tenant's performance of any such work shall comply with the standards set forth in Section 14.2 above, and Tenant shall obtain any and all necessary governmental approvals and permits for such work. For the avoidance of doubt, if Tenant performs any of Landlord's obligations under this Section 14.1(a) (for example, replacing an HVAC unit), Landlord shall remain responsible for performing any future maintenance, repair or replacement work related to the item or system upon which Tenant performed such work (for example, the HVAC unit replaced by Tenant).

Landlord shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable federal, state and local laws, ordinances, codes, regulations and rules ("**Laws and Ordinances**"); and obtain all required permits and inspections for such work. Upon Tenant's request, Landlord shall provide Tenant with reasonable supporting documentation relating to such maintenance, repair and replacement work.

(b) *Carpets and Floor Coverings in Premises.* Landlord shall maintain, repair and replace the carpets and other floor coverings in the Premises so as to keep them in a first-class condition, subject to normal wear and tear for the number of years estimated by the manufacturer for heavy office use, and shall lift, move, disassemble and reassemble any and all furniture or units in the Premises (with the exception of computers and other electronic equipment as Tenant may designate) in connection with such maintenance, repair and replacement. Landlord's obligations under this Section 14.1(b) include replacing the carpets in fiscal year 2023 (as set forth in Section 14A.3 below), and thereafter replacing the carpets or other floor coverings no less than every ten (10) years since the carpets or other floor covering were last installed or replaced (the "**Minimum Carpet/Floor Covering Replacement Interval**"), such that the carpets or floor coverings are not a hazard and not unduly worn. Such replacement carpet or floor covering shall be Tenant's choice from:

- (i) Tenant's standard facility carpet and floor covering options; or
- (ii) if no such Tenant standard options exist, then from Landlord's standard options for the Building that are of equal or better quality than the carpet or floor covering being replaced; or
- (iii) if no such standard options exist, then other replacement carpet or floor covering acceptable to Tenant, of equal or better quality than the carpet or floor covering being replaced.

(c) *Painting Walls in Premises.* Landlord shall provide full repainting of the interior walls in fiscal year 2023 (as set forth in Section 14A.3 below), and shall thereafter provide touch-up painting of the interior walls in the Premises no less than every five (five) years, and full repainting every ten (10) years, since the interior walls were last painted (the "**Minimum Repainting Interval**"). Such paint shall be Tenant's choice from:

- (i) Tenant's standard facility paint options; or
 - (ii) if no such Tenant standard options exist, then from Landlord's standard options for the Building that are of equal or better quality than the paint being replaced; or
 - (iii) if no such standard options exist, then other paint acceptable to Tenant, of equal or better quality than the paint being replaced.
- (d) *HVAC System.*
- (i) Landlord shall ensure that the HVAC System provides comfortable conditions with respect to cooling, heating and fresh air in the Premises and the Building, as follows:
 - Premises except Server Room: temperature ranges in the Premises (except for the Server Room (as defined and set forth below in this Section 14.1(d)(i)) shall be between 68°F and 74°F at all times, including after hours, weekends and holidays.
 - Server Room: the server room(s) on the Premises (any such server rooms together the "**Server Room**") contains temperature-sensitive electronic equipment. Notwithstanding Landlord's other obligations regarding the HVAC System as set forth in this Section 14.1(d)(i), the temperature in the Server Room shall at all times, including after hours, weekends and holidays, be maintained at a temperature between 60°F and 75°F.
 - (ii) Landlord shall maintain a regularly scheduled maintenance and service contract for the HVAC System with an HVAC maintenance company that regularly provides such contracts to similar properties, and shall otherwise maintain and repair the HVAC System as frequently as necessary or appropriate to keep the HVAC System in first-class operating condition and providing the level of service described above.
- (e) Building Defects. The Premises, and any part of the Common Areas through which Tenant accesses the Premises (the "**Access Common Areas**"), shall be free at all times during the Term of this Lease from inadequate ventilation, poor indoor air quality, chemical contaminants (from indoor or outdoor sources) that can potentially harm the health of humans, and biological contaminants (such as mold, mildew and bacteria) (any such defect a "**Building Defect**"). If any part of the Premises or the Access Common Areas is determined in a written report by a qualified independent third party environmental consultant hired by Tenant ("**Tenant's Consultant**") to have a Building Defect (an "**Alleged Building Defect**"), then:
- (i) *Tenant's Notice.* Tenant shall give notice of the Alleged Building Defect to Landlord ("**Tenant's Building Defect Notice**"), along with a complete copy of the report by Tenant's Consultant.
 - (ii) *Landlord's Response.* After delivery of Tenant's Building Defect Notice, Landlord shall hire its own qualified independent third party environmental consultant ("**Landlord's Consultant**") to evaluate the Alleged Building Defect and the report by Tenant's Consultant, to determine whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect. Within thirty (30) days after delivery of Tenant's

Building Defect Notice, Landlord shall give notice to Tenant specifying whether Landlord agrees or disputes that the Alleged Building Defect is a Building Defect (“**Landlord’s Building Defect Response**”), along with a complete copy of the written report prepared by Landlord’s Consultant. The date Landlord delivers Landlord’s Building Defect Response to Tenant is “**Landlord’s Building Defect Response Date.**”

(iii) *Agreement regarding Alleged Building Defect.* If Landlord’s Building Defect Response agrees that the Alleged Building Defect is a Building Defect, Landlord shall remediate the Building Defect pursuant to Section 14.1(e)(viii) below, and abate Tenant’s Monthly Rent and pay its costs and expenses pursuant to Section 14.1(e)(x) below.

(iv) *Dispute regarding Alleged Building Defect.* If Landlord’s Building Defect Response disputes that the Alleged Building Defect is a Building Defect, the Parties shall attempt in good faith to resolve the dispute within fifteen (15) business days after Landlord’s Building Defect Response Date. If the Parties do not timely resolve the dispute, then Tenant’s Consultant and Landlord’s Consultant (together the “**Parties’ Consultants**”) shall together select a qualified independent third party environmental consultant (the “**Joint Consultant**”) to determine whether the Alleged Building Defect is a Building Defect.

(v) *Environmental Consultant.*

(1) The Joint Consultant shall be chosen as follows: within thirty (30) days after Landlord’s Building Defect Response Date, Landlord shall deliver to Tenant a list, prepared by Landlord’s Consultant, of three (3) qualified independent environmental consultants; and Tenant shall deliver to Landlord a list, prepared by Tenant’s Consultant, of three (3) qualified independent environmental consultants. Within forty-five (45) days after Landlord’s Building Defect Response Date, each Party may strike one candidate from such list delivered by the other Party. Notwithstanding the foregoing, if Landlord fails to timely deliver its list of qualified independent environmental consultants, then Tenant’s Consultant’s choice of an environmental consultant from Tenant’s list shall be deemed the Joint Consultant; and if Tenant fails to timely deliver its list of qualified environmental consultants, then Landlord’s Consultant’s choice of an independent qualified environmental consultant from Landlord’s list shall be deemed the Joint Consultant.

(2) The Parties’ Consultants shall meet within sixty (60) days after Landlord’s Building Defect Response Date and choose the Joint Consultant from the remaining names of qualified independent environmental consultants on such lists; provided that if the Parties’ Consultants do not agree on the choice of the Joint Consultant, then at the meeting of the Parties’ Consultants, the remaining names of qualified independent environmental consultant shall be placed in an opaque vessel by Landlord’s Consultant, and Tenant’s Consultant shall select one name, at random, by blind drawing from the vessel, to be the Joint Consultant. Notwithstanding the foregoing, if either Landlord’s Consultant or Tenant’s Consultant refuses or fails to meet to select the Joint Consultant, then the choice made by the other Party’s Consultant from the remaining names shall be the Joint

Consultant.

(vi) *Determination by Environmental Consultant.* The Joint Consultant shall determine whether the Alleged Building Defect is a Building Defect, by reviewing the reports prepared by the Parties' Consultants; interviewing the Parties' Consultants' and conducting its own tests, samples and reviews. The Parties shall reasonably cooperate with the Joint Consultant, including by allowing reasonable access to the Premises, the Building and the Property, as applicable. The Joint Consultant shall deliver its determination to the Parties in a written report. The Joint Consultant's determination of whether the Alleged Building Defect is a Building Defect shall be binding on the Parties.

(vii) *Environmental Consultant's Costs and Expenses.* All of the costs and expenses of the Joint Consultant shall be paid by Landlord, if the Joint Consultant determines that the Alleged Building Defect is a Building Defect; and all of the costs and expenses of the Joint Consultant shall be paid by Tenant if the Joint Consultant determines that a Building Defect does not exist.

(viii) *Remediation.* If Landlord agrees, or the Joint Consultant determines, that the Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then Landlord shall immediately, at Landlord's sole cost and expense, commence and diligently pursue to completion any and all actions necessary to completely remedy the Building Defect, including, without limitation, complying with any and all regulations and requirements of OSHA (Occupational Safety and Health Administration).

(ix) *Termination.*

(1) If the Building Defect interferes with Tenant's use of the Premises by affecting at least twenty-five percent (25%) of the Premises, either Party may terminate this Lease with at least thirty (30) days' notice to the other Party.

(2) If either Party determines in good faith that the Building Defect cannot be remedied within sixty (60) days after Landlord's Building Defect Response Date or the date of the Joint Consultant's determination of its existence, as applicable, either Party shall promptly notify the other Party, and either Party may terminate this Lease with at least thirty (30) day's prior notice to the other Party.

(x) *Abatement of Monthly Rent; Tenant's Costs and Expenses.* If Landlord agrees, or the Joint Consultant determines, that the Alleged Building Defect is a Building Defect pursuant to Section 14.1(e)(iii) or (vi) above, respectively, then:

(1) Monthly Rent shall be abated, in proportion to the area of the Premises and the Access Common Areas not usable by Tenant due to such Building Defect, until it is remedied pursuant to Section 14.1(e)(viii) above;

(2) Landlord shall immediately reimburse Tenant for any and all of Tenant's costs and expenses for Tenant's Consultant; and

(3) Landlord shall pay any and all costs arising from the disruption of Tenant's use of the Premises or Access Common Areas due to the Building Defect, including moving and storage costs for Tenant to relocate to a different location while the Building Defect is being remedied or if this Lease is terminated pursuant to Section 14.1(e)(ix) above.

(f) *Operating Expenses. Intentionally Omitted*

(g) *Landlord's Entry.* In order to perform necessary or appropriate maintenance, repair or replacement pursuant to this Section 14.1, Landlord, its agents and employees may enter the Premises with at least two (2) business days' prior notice or, in the event of an emergency, at any time with no prior notice. Notwithstanding the foregoing, Landlord's non-emergency and emergency entry on the Premises are subject to additional restrictions as set forth in the "Entry and Security Restrictions" attached as Exhibit G. Landlord shall use its reasonable best efforts to coordinate the scheduling of any non-emergency maintenance, repair or replacement with Tenant in order to minimize interference with Tenant's use of the Premises.

14.2 Tenant's Responsibilities. Except for any maintenance, repair or replacement that Landlord is obligated to perform pursuant to Section 14.1 above, Tenant shall, at its sole cost and expense, perform all maintenance, repair and replacement necessary to keep the interior of the Premises in a presentable and safe condition. Tenant shall perform all such maintenance, repair and replacement work promptly; ensure that such work is performed in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances; minimize the work's interference with any other tenants' use and enjoyment of the Building; and obtain all required permits and inspections for such work. Upon Landlord's request, Tenant shall provide Landlord with reasonable supporting documentation relating to such maintenance, repair or replacement work.

SECTION 14A: SPECIFIC MAINTENANCE, REPAIR AND REPLACEMENT WORK

14A.1 Generally. Landlord shall, at its sole cost and expense (except as specifically set forth) and as part of its maintenance, repair and replacement obligations under Section 14.1 above, perform the work on the Premises that is set forth in Section 14A.3 below (the "**Specific Landlord Work**").

14A.2 Tenant's Right to Perform. Landlord shall notify Tenant within sixty (60) days of the deadline for any Specific Landlord Work if Landlord will not be able to complete the Specific Landlord Work by the deadline. In such event, Tenant may (but is not obligated to) perform such Specific Landlord Work, and may deduct from any future Monthly Rent due any and all of its actual and reasonable costs and expenses relating to performing the Specific Landlord Work, as well as a reasonable administrative fee. Such offset right shall begin immediately upon Tenant's completion of the Specific Landlord Work, or any part thereof. For the avoidance of doubt, Tenant's right under this Section 14A.2 to perform Specific Landlord Work and deduct the costs and expenses thereof from future Monthly Rent shall be Tenant's sole and exclusive remedy for Landlord's failure to perform any Specific Landlord Work, and shall not serve as the basis for a Landlord Default. Tenant's performance of any Specific Landlord Work shall comply with the standards set forth in Section 14.2 above, and Tenant shall obtain any and all necessary governmental approvals and permits for such Specific Landlord Work.

14A.3 Specific Landlord Work. Landlord shall perform the following Specific Landlord Work:

- (a) Phase 1: Complete by June 30, 2021
 - (i) Replace Squad Room Heat Pump (RTU #1)
 - (ii) Sealcoat and stripe parking lot
 - (iii) Add trash enclosure
 - (iv) Install front walkway steps, bollards and hand railings as needed
- (b) Phase 2: Complete by June 30, 2022
 - (i) Replace Admin Office heat pump (RTU #3) (rewire this unit to the generator, replacing RTU #2- rewiring will be at Tenant cost)
- (c) Phase 3: Complete by June 30, 2023
 - (i) Replace Lieutenant Office heat pump (RTU #5)
 - (ii) Replace all carpets throughout Building
 - (iii) Repaint all interior walls in Building
- (d) Phase 4: Completed by June 30, 2024
 - (i) Replace main hallway heat pump (RTU #4)
- (e) Phase 5: Completed by June 30, 2025
 - (i) Replace back room heat pump (RTU #2)
 - (ii) Flat Roof replacement

SECTION 15: IMPROVEMENTS AND ALTERATIONS

15.1 Improvements and Alterations to Premises.

- (a) *Nonstructural.* From and after the Commencement Date, Tenant may, at its sole cost and expense:
 - (i) without Landlord's consent (but after notice thereof is given to Landlord), make nonstructural improvements and alterations to the Premises; and
 - (ii) without notice to Landlord or Landlord's consent, place partitions, personal property, trade fixtures and the like in and on the Premises. Tenant shall retain ownership of all such partitions, personal property, trade fixtures and the like.
- (b) *Structural.* Tenant shall not make any improvements or alterations to the Premises that modify or affect the Building structure or the proper operation of a mechanical system, without Landlord's prior consent, which Landlord may withhold in its sole discretion. Tenant shall make any such permitted improvements or alterations at its sole cost and expense and using a

contractor of its own choosing, and in a manner so as to minimize interference with any other tenants' use and enjoyment of the Building. Any such improvements or alterations shall become part of the Premises, and shall be surrendered with the Premises upon the expiration or earlier termination of this Lease.

(c) *Work that Tenant May Perform.* At any time during the Term of this Lease, Tenant may, in Tenant's sole discretion and at Tenant's sole cost and expense, make any of all of the following improvements to the Premises and area outside of the Building:

- (i) evidence Room hardening (not limited to reinforcing the walls, floors and ceiling)
- (ii) install a Camera System throughout the Property

15.2 Structural Improvements and Alterations to Building. Landlord shall not make any structural improvements or alterations to the Building that interfere with Tenant's use or enjoyment of the Premises.

15.3 Performance of Work. Any improvements or alterations that a Party makes to the Premises or the Building shall be made in a first-class and workmanlike manner and in accordance with all applicable Laws and Ordinances and with all required permits and inspections for such work. Upon one Party's request, the other Party shall provide it with reasonable documentation relating to such work.

SECTION 16: RULES AND REGULATIONS

Tenant shall materially comply with any rules and regulations for the Building, provided that: (1) such rules and regulations have been properly adopted or promulgated by Landlord; (2) Landlord has provided Tenant and all other tenants and occupants of the Building with a written copy of such rules and regulations, at least thirty (30) days in advance of their effectiveness and in accordance with the notice provisions of this Lease and of any other leases or agreements governing any other tenants or occupants of the Building; (3) the rules and regulations are reasonable and do not conflict with any of the express provisions of this Lease; and (4) the rules and regulations are consistently applied to all tenants and occupants of the Building.

SECTION 17: SIGNAGE

17.1 Landlord's Signage Obligations and Rights.

- (a) *Directories and Suite Signage. Intentionally Omitted*
- (b) *Lease and Sale Signage.* Landlord may post the following signage on the Premises, at its sole cost and expense:
 - (i) at any time and from time to time during the Term of this Lease, signs advertising that the Building is for sale; and
 - (ii) during the last one hundred twenty (120) days of the Term of this Lease, if Tenant has not exercised an Extension Option pursuant to Section 7.1 above, signs advertising

that the Premises are for lease.

17.2 Tenant's Signage Obligations and Rights. All of Tenant's signage on the Premises as of the Lease Effective Date is deemed to be consistent with applicable Laws and Ordinances and Landlord's signage rules and policies, if any. Notwithstanding any signage that Landlord is required to install on the Premises pursuant to Section 17.1 above, Tenant may, at its sole cost and expense, install signage on the Premises consistent with all applicable Law and Ordinances and Landlord's signage rules and policies, if any. Subject to the foregoing, for up to one hundred eighty (180) days after the expiration or earlier termination of this Lease, Tenant may post a sign on the exterior of the Premises in order to notify interested persons of Tenant's new location.

SECTION 18: INSURANCE

18.1 Landlord's Insurance Coverage. Landlord is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("**Landlord's Insurance Coverage**"). Landlord shall provide a current "**Certificate of Insurance**" for all of Landlord's Insurance Coverage upon request.

18.2 Tenant's Insurance. Tenant is self-insured for its property and liability exposures, pursuant and subject to the Oregon Constitution and the Oregon Tort Claims Act ("**Tenant's Insurance Coverage**"). A current Certificate of Insurance for Tenant's Insurance Coverage is available at <http://www.oregon.gov/das/Risk/Pages/CertCovRequest.aspx>.

SECTION 19: CONTRIBUTION

19.1 Other Party Notification. If any third party makes any claim or brings any action, suit or proceeding relating to this Lease, the Premises, the Building or the Property and alleging a tort as now or hereafter defined in ORS 30.260 (a "**Third-Party Claim**") against a Party (the "**Notified Party**") with respect to which the other Party (the "**Other Party**") may have liability, the Notified Party shall promptly notify the Other Party of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either Party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this Section 19.1 and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third-Party Claim.

19.2 Tenant Jointly Liable with Landlord. With respect to a Third-Party Claim for which Tenant is jointly liable with Landlord (or would be if joined in the Third-Party Claim), Tenant shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Landlord in such proportion as is appropriate to reflect the relative fault of Tenant on the one hand and of Landlord on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Tenant on the one hand and of Landlord on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses,

judgments, fines or settlement amounts. Tenant's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if Tenant had sole liability in the proceeding.

19.3 Landlord Jointly Liable with Tenant. With respect to a Third-Party Claim for which Landlord is jointly liable with Tenant (or would be if joined in the Third-Party Claim), Landlord shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Tenant in such proportion as is appropriate to reflect the relative fault of Landlord on the one hand and of Tenant on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Landlord on the one hand and of Tenant on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Landlord's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

SECTION 19A: CONTRACTOR INDEMNITY AND INSURANCE

19A.1 Generally. If a Party (the "**Contracting Party**") enters into a contract relating to this Lease, the Premises, the Building or the Property (a "**Contract**"), with a party that is not a unit of local government as defined in ORS 190.003 (the "**Contractor**"), the Contracting Party and the Contractor shall adhere to the provisions of this Section 19A.

19A.2 Indemnification by Contractors. The Contracting Party shall take all reasonable steps to cause the Contractor to indemnify, defend, save and hold harmless the other Party, and its officers, employees and agents (each, an "**Indemnitee**") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Contractor, or the Contractor's officers, agents, employees or subcontractors ("**Claims**"). The Parties specifically intend that an Indemnitee shall, in all instances (except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee), be indemnified by the Contractor from and against any and all Claims.

19A.3 Contractor's Insurance Requirements.

(a) For any Contract entered into by a Contracting Party, the Contract shall require the Contractor to comply with the Contracting Party's applicable insurance requirements (the "**Contractor's Insurance Requirements**"), before the Contractor performs any work under the Contract. The Contracting Party shall not authorize the Contractor to begin work under a Contract until the Contractor's Insurance Requirements are met. Thereafter, the Contracting Party shall monitor the Contractor's continued compliance with the Contractor's Insurance Requirements on an annual or more frequent basis.

(b) The Contract shall contain appropriate provisions that permit the Contracting Party to enforce the Contractor's compliance with the Contractor's Insurance Requirements, and the

Contracting Party shall take all reasonable steps to enforce such compliance. Examples of such reasonable steps include issuing stop work orders (or the equivalent) until the Contractor's Insurance Requirements are met; terminating the Contract as permitted by the Contract; and pursuing legal action to enforce the Contractor's compliance with the Contractor's Insurance Requirements. In no event shall the Contracting Party permit its Contractor to perform work under a Contract when the Contracting Party is aware that the Contractor is not in compliance with the Contractor's Insurance Requirements.

SECTION 20: CASUALTY DAMAGE AND EMINENT DOMAIN

20.1 Casualty Damage.

(a) *Definitions.*

- (i) “**Casualty**” means floods, hurricanes, tornados, storms, fires, explosions, lightning, earthquakes or other perils.
- (ii) “**Major Damage**” means damage by Casualty to the Premises or the Building that:
 - (1) causes any substantial portion of the Premises or the Building to be unusable; and
 - (2) will likely cost at least twenty-five percent (25%) of the pre-damage value of the Premises, or will likely take at least one hundred eighty (180) days, beginning on the date of the Casualty, for complete restoration of the Premises or the Building.
- (iii) “**Minor Damage**” means damage by Casualty to the Premises or the Building that:
 - (1) causes any substantial portion of the Premises or the Building to be unusable; and
 - (2) is not Major Damage.

(b) *Termination, Restoration and Abatement.* In the event of Major Damage, either Party may terminate this Lease by notice to the other Party with at least thirty (30) days' notice, given within thirty (30) days after the date of the Casualty, and Monthly Rent shall be abated, in proportion to the area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights not usable by Tenant, from the date of the Casualty until the date of termination. If this Lease is not so terminated as a result of Major Damage, or in the event of Minor Damage, Landlord shall promptly and diligently restore the Premises or the Building to the condition existing just prior to the Casualty, regardless of whether Landlord has received any insurance proceeds for the Casualty; and Monthly Rent shall be abated, in proportion to the area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights not usable by Tenant, from the date of the Casualty until the date Landlord's restoration work is substantially complete. Notwithstanding the foregoing: (i) if the Major Damage or Minor Damage occurs any time in the last two (2) years of the Term, then either Party may terminate

this Lease, effective as of the date of the Casualty; and (ii) if, in the event of Minor Damage, actual restoration such that Tenant can fully resume its use of the Premises or the Building takes longer than three hundred sixty five (365) days, beginning on the date of the Casualty, then Tenant may terminate this Lease at any time after such 365-day period.

20.2 Eminent Domain. If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the Premises or the Building, or any portion thereof, including the Common Areas and any parking spaces or areas related to the Parking Rights, sufficient to render the Premises unsuitable for Tenant's use, then either Party may terminate this Lease effective on the date that possession is taken by the condemning authority. If this Lease is not so terminated, then Monthly Rent shall be abated, in an amount proportionate to the reduction caused by the condemnation in area of the Premises, Common Areas and any parking spaces or areas related to the Parking Rights, for the remainder of the Term. All condemnation proceeds shall belong to Landlord; provided, however, that Tenant may make a separate claim for its lost trade fixtures, moving expenses and damages for interruption of business.

20.3 Abatement Disputes. If one Party gives notice to the other Party of a dispute regarding the abatement of Monthly Rent pursuant to Section 20.1 or 20.2 above, the Parties shall attempt in good faith to resolve such dispute within fifteen (15) business days after such notice.

SECTION 21: *Intentionally Omitted*

SECTION 22: ASSIGNMENT AND SUBLETTING

22.1 By Tenant.

(a) *To Another State of Oregon Agency*. Pursuant to ORS 276.428 and OAR 125-120-0080(2), Tenant may, at any time and from time to time during the Term of this Lease and in the sole discretion of either Tenant or the Oregon Department of Administrative Services (“DAS”), determine that it does not need all or any portion of the Premises for its use, and, without Landlord's consent, assign this Lease or sublet all or any part of the Premises to, or share the use or occupancy of all or any part of the Premises with, another agency or division of the State of Oregon.

(b) *To Other Parties*. Subject to Section 22.1(a) above, Tenant shall not voluntarily or by operation of law assign this Lease or sublet any portion of the Premises without Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed. Any assignment or sublet in contravention of this Section 22.1(b) shall be deemed null and void. Tenant's Termination Option (as defined in Section 25.1 below) shall not survive any assignment of this Lease in accordance with this Section 22.1(b), except for an assignment to a public corporation performing State of Oregon governmental functions.

22.2 By Landlord.

(a) *Notice*. If a party becomes Landlord's successor-in-interest under this Lease (a “**Successor Landlord**”), Landlord shall promptly provide advance notice to Tenant of such Successor Landlord (a “**Notice of Successor Landlord**”). The Notice of Successor Landlord shall contain the Successor Landlord's name, address and other contact information and a copy

of the document vesting ownership of the Property in the Successor Landlord. The Notice of Successor Landlord shall be executed by both Landlord and Successor Landlord in any voluntary situation. If a lender or other third party acting through such lender becomes successor-in-interest to Landlord, such notice shall be promptly made by such third party.

(b) *Ongoing Liability.* The existence of a Successor Landlord shall not release or discharge Landlord from the performance of any or all of its obligations under this Lease.

SECTION 23: SUBORDINATION, NONDISTURBANCE AND ATTORNMENT; ESTOPPEL CERTIFICATE

23.1 Subordination, Nondisturbance and Attornment.

(a) *Subordination.* Subject to the conditions set forth in Section 23.1(c) below, and unless otherwise requested by Landlord, this Lease shall be subordinate to the lien of any mortgage or deed of trust or the lien resulting from any other method of financing or refinancing now or hereafter in force against the Building or the Property, and to any and all advances made upon such mortgages or deeds of trust.

(b) *Attornment.* Subject to the conditions set forth in Section 23.1(c) below, Tenant shall attorn and be bound to any Successor Landlord.

(c) *Conditions.* Tenant's subordination and attornment obligations set forth in Sections 23.1(a) and (b) above are conditioned on the following:

(i) this Lease shall continue in full force and effect;

(ii) any Successor Landlord shall assume and perform all of Landlord's responsibilities and obligations under this Lease, and, provided that there is not then any material Tenant Default hereunder, shall not disturb Tenant's use or enjoyment of the Premises, Common Areas or any parking spaces or areas related to the Parking Rights; and

(iii) Tenant shall not save, hold harmless or indemnify a lender or any other third party from or for any matter arising from this Lease; grant to any Successor Landlord any rights beyond what Landlord has under this Lease; or agree to hold any Successor Landlord harmless for any acts or omission of Landlord.

(d) *Subordination, Nondisturbance and Attornment Agreement.* Tenant shall, within fifteen (15) business days after delivery by Landlord of a reasonable subordination, nondisturbance and attornment agreement that comports with the provisions of this Section 23.1, execute and deliver such agreement to Landlord.

23.2 Estoppel Certificate. Tenant shall, within fifteen (15) business days after delivery by Landlord of a reasonable form of estoppel certificate that comports with the provisions of this Section 23.2 and certifying, to the extent of Tenant's actual knowledge, without inquiry, any factual matters that may reasonably be requested by Landlord or by any prospective lender or purchaser, execute and deliver to Landlord such estoppel certificate.

SECTION 24: LIENS

Tenant shall pay when due all claims for work performed on the Premises by or through Tenant or for services rendered or materials furnished to the Premises for Tenant, and shall keep the Premises free from any liens arising by or through Tenant. If any such lien shall at any time be filed against the Premises, or any portion thereof, Tenant shall cause the same to be discharged of record or bonded off, as permitted by statute, within thirty (30) days after Tenant's receipt of written notice of same.

SECTION 25: TENANT'S TERMINATION OPTION

25.1 Termination Option. Tenant has the option to terminate this Lease (the "**Termination Option**") in the event of the following:

(a) *Lack of Funding*. Landlord understands and acknowledges that the tenant hereunder is the State of Oregon, acting by and through the agency that is the Tenant under this Lease, and that Tenant's payment obligations under this Lease are conditioned upon Tenant receiving sufficient funding, appropriations, limitations, allotments or other expenditure authority. Tenant may exercise the Termination Option with regard to all or any portion of the Premises if, in its reasonable discretion, it does not have sufficient funding, appropriations, limitations, allotments or other expenditure authority sufficient to permit continuation of this Lease. Evidence of such funding may be, without limitation, Tenant's decision to specifically discontinue some or all operations on this Premises. Landlord is not entitled to receive payment under this Lease from any agency or other division of the State of Oregon other than agency that is the Tenant under this Lease. Nothing in this Lease shall be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other applicable Law or Ordinance regulating liabilities or monetary obligations of the State of Oregon.

(b) *Abolition*. Tenant may exercise the Termination Option if, by a specific legislative act, Tenant is abolished or its functions are absorbed into another agency or division of the State of Oregon.

25.2 Exercise of Termination Option.

(a) To exercise the Termination Option, Tenant shall deliver to Landlord a notice of such election (the "**Termination Option Notice**") that specifies the date of termination (the "**Termination Date**"). The Termination Date shall be at least one hundred twenty (120) days after the delivery of the Termination Option Notice.

(b) If Tenant properly exercises the Termination Option as provided in Section 25.2(a) above, all obligations under this Lease shall continue through the Termination Date, at which time all unaccrued rights and obligations of the Parties under this Lease shall cease and terminate, except to the extent such obligations specifically survive termination of this Lease. If Tenant does not properly exercise the Termination Option as provided in Section 25.2(a) above, this Lease shall remain in full force and effect in accordance with its terms.

25.3 Termination Fee.

(a) *Calculation.* If Tenant exercises the Termination Option pursuant to Section 25.2 above, then on or before the Termination Date, Tenant shall deliver to Landlord a termination fee (the “**Termination Fee**”) in the following amount:

Improvement Allowance for Extension Term: if the Termination Date is during any Extension Term, the portion of any improvement allowance specifically for any Extension Term that the length of Tenant’s lease of the Premises, from the Termination Date through the expiration date of the Extension Term, bears to the length of the Extension Term.

(b) *Survival of Obligation to Pay.* Once Tenant has delivered the Termination Notice, its obligation to pay the Termination Fee shall survive any termination of this Lease earlier than the Termination Date.

SECTION 26: CONFIDENTIAL BUSINESS INFORMATION

Landlord understands and acknowledges that Tenant’s use of the Premises may include the creation, management and retention of business information of a personal or confidential nature (“**Confidential Information**”), and that the unauthorized acquisition or disclosure of Confidential Information may be grounds for civil and criminal liability. Subject to the limitations under Oregon public records law, Landlord shall reasonably cooperate with Tenant in protecting the confidentiality of all information that Tenant notifies Landlord is Confidential Information, and shall ensure that its agents and employees do not, through any acts or omissions, jeopardize the confidentiality of such Confidential Information or disclose it to any unauthorized parties.

SECTION 27: SURRENDER, SHORT-TERM EXTENSION AND HOLDOVER

27.1 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, surrender the Premises to Landlord broom clean, in first-class condition and repair, except for ordinary wear and tear and damage from any Casualty, Building Defect or Force Majeure Event.

27.2 Short-Term Extension. With thirty (30) days’ prior notice to Landlord and without Landlord’s consent, Tenant may extend the Term for a period not to exceed sixty (60) days, with Monthly Base Rent to be the same amount as the immediately preceding month. Such short-term extension shall not be construed as an exercise of any Extension Option.

27.3 Holdover. If Tenant fails to vacate the Premises after the expiration or earlier termination of the Term, and Landlord does not, within ten (10) business days after such expiration or termination, deliver to Tenant a notice of eviction, such holding over by Tenant shall create a tenancy from month to month, with Monthly Base Rent to be one hundred ten percent (110%) of the Monthly Base Rent for the immediately preceding month. Such holdover shall not be construed as an exercise of any Extension Option.

SECTION 28: QUIET ENJOYMENT

Subject to the terms and conditions of this Lease, Tenant shall peaceably and quietly have, hold

and enjoy the Premises during the Term, without any interruption or disturbance from Landlord or any party claiming by, through or under Landlord.

SECTION 29: INTEREST RATE

Except as otherwise specifically provided in this Lease, any payment due hereunder by one Party to the other Party shall accrue interest at the maximum rate permitted under ORS 293.462, as it may be amended or replaced from time to time, from the date the payment is past due until the past-due payment and all interest thereon are paid in full.

SECTION 30: LANDLORD'S REPRESENTATIONS, WARRANTIES AND COVENANTS

30.1 Authority. Landlord represents and warrants to Tenant that Landlord is an Oregon public body, duly organized and validly existing; that Landlord has the power and authority to enter into and perform this Lease; and that the person signing this Lease on behalf of Landlord is authorized by Landlord to bind Landlord to this Lease. Landlord covenants that, upon Tenant's request, Landlord shall provide Tenant with evidence reasonably satisfactory to Tenant confirming the foregoing.

30.2 Ownership and Condition of Premises. Landlord represents, warrants and covenants, as applicable, that:

- (a) Landlord is the fee simple owner of the Property;
- (b) *Intentionally Omitted*
- (c) the Premises are safe and inhabitable;
- (d) as of the Commencement Date, there are no Hazardous Materials on the Premises, the Building or the Property, except for amounts normal and appropriate for the standard use and operation of a commercial property, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances; and any Hazardous Materials removed by Landlord from the Premises, the Building or the Property prior to the Commencement Date were removed in strict compliance with all applicable Laws and Ordinances. "**Hazardous Materials**" includes, without limitation, any and all substances, pollutants, contaminants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials, or any other similar term in or under any applicable Law or Ordinance. Hazardous Materials also includes, without limitation, fuels, petroleum and petroleum-derived products;
- (e) as of the Commencement Date, there is no asbestos or asbestos-containing material on the Premises, the Building or the Property; and any asbestos or asbestos-containing material removed by Landlord from the Premises, the Building or the Property prior to the Commencement Date was removed in accordance with all applicable Laws and Ordinances;
- (f) the Premises are in compliance with any and all applicable Laws and Ordinances, including the acknowledged comprehensive plans and land use regulations of the city or county in which the Premises are located; and

(g) the Premises, the Building and the Property are or shall be as of the Commencement Date in compliance with all applicable provisions of the Americans with Disabilities Act.

30.3 Parking Rights. Landlord represents, warrants and covenants that the Parking Rights it has granted hereunder do not and shall not, in combination with any other rights to the parking spaces or areas related to the Parking Rights that Landlord has granted to any other persons, at any time exceed the total potential usage of the parking spaces or areas related to the Parking Rights.

30.4 Tax Laws. *Intentionally Omitted*

SECTION 31: TENANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS

31.1 Authority. Tenant represents and warrants to Landlord that Tenant is a State of Oregon agency, duly organized and validly existing; that Tenant has the power and authority to enter into and perform under this Lease; and that the person signing this Lease on behalf of Tenant is authorized by Tenant to bind Tenant to this Lease. Tenant covenants that, upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing.

31.2 Condition of Premises. Tenant covenants that:

- (a) Tenant shall not use, place or allow any Hazardous Materials on the Premises, except for amounts normal and appropriate for Tenant's use of the Premises, stored, used and disposed of in strict compliance with all applicable Laws and Ordinances;
- (b) Tenant shall use the Premises in compliance with any and all applicable Laws and Ordinances; and
- (c) Tenant shall keep the interior of the Premises in compliance with all applicable provisions of the Americans with Disabilities Act.

SECTION 32: SUSTAINABILITY PRACTICES

In all of their activities in, on or related to the Premises, the Building or the Property, the Parties shall: (1) use their reasonable best efforts to maximize energy efficiency and use environmentally sustainable products and materials; and (2) use their reasonable best efforts to reduce nonessential water consumption.

SECTION 33: TENANT DEFAULT

33.1 Default. The following shall be events of default by Tenant ("Tenant Default"):

- (a) *Nonpayment of Base or Additional Rent*. Tenant's failure to pay Landlord any Monthly Base Rent or Additional Rent within fifteen (15) business days after notice from Landlord specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 33.1(a) above, Tenant's failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Landlord specifying the nature of the failure with reasonable particularity; or, if Tenant cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Tenant and Landlord agree that Tenant can cure the failure with reasonable good faith and diligence; provided, however, that such cure period shall not exceed one hundred eighty (180) days.

33.2 Remedies. Upon any Tenant Default, Landlord may exercise any one or more of the following remedies:

(a) *Cure.* At Tenant's cost and expense, Landlord may perform Tenant's unperformed obligations that gave rise to the Tenant Default, and charge all such costs and expenses to Tenant pursuant to this Lease, which Tenant shall pay within thirty (30) days after Landlord delivers an invoice therefor, together with reasonable supporting documentation of such costs and expenses.

(b) *Termination.* Landlord may terminate this Lease, re-enter and take possession of the Premises and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages to Tenant, its property, any other persons or their property.

(c) *Reletting.* Landlord may relet the Premises, and in connection therewith may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises. Landlord shall not be required to relet the Premises for any use or purpose that Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable. Landlord may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term of this Lease, and upon any reasonable terms and conditions, including the granting of rent-free occupancy or other rent concessions.

(d) *Right to Sue.* Landlord may sue periodically to recover damages as they accrue without barring a later action for further damages.

(e) *Damages.* Landlord shall be entitled to recover from Tenant any and all damages arising from a Tenant Default, including the following:

(i) all costs and expenses of curing the Tenant Default;

(ii) the reasonable costs of reentry and reletting, including, without limitation, the costs of any clean up, refurbishing, removal of Tenant's property and fixtures and any other expense arising from Tenant's failure to surrender the Premises in the condition required by Section 27.1 above; remodeling costs; and broker fees and commissions and advertising costs; and

(iii) the loss of Monthly Base Rent and Additional Rent for the Premises from the date of the Tenant Default until a new tenant for the Premises has been, or with the exercise of reasonable efforts could have been, secured.

(f) *Other.* The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord in law or equity.

SECTION 34: LANDLORD DEFAULT

34.1 Default. The following shall be events of default by Landlord (“**Landlord Default**”):

(a) *Nonpayment of Money Due.* Landlord’s failure to pay Tenant any money due under this Lease within fifteen (15) business days after notice from Tenant specifying the nonpayment.

(b) *Other Nonperformance.* Other than a nonpayment described in Section 34.1(a) above:

(i) Landlord’s failure to comply with or fulfill any term, condition or obligation of this Lease within thirty (30) days after notice from Tenant specifying the nature of the failure with reasonable particularity; provided, however, that if Landlord cannot reasonably cure such failure within such thirty (30) -day period, then within such time as Landlord and Tenant agree that Landlord can cure the failure with reasonable good faith and diligence, provided that such cure period shall not exceed one hundred eighty (180) days; or

(ii) if Tenant notifies Landlord of an emergency condition in the Premises or the Building (such emergency condition being one that presents an immediate risk of substantial harm to the Premises or any contents therein, or to any of Tenant’s agents, employees or invitees), Landlord’s failure to immediately commence and diligently pursue to completion a cure of such emergency condition.

34.2 Remedies. Upon any Landlord Default, Tenant may exercise any one or more of the following remedies:

(a) *Cure.* At Landlord’s cost and expense, Tenant may perform Landlord’s unperformed obligations that gave rise to the Landlord Default, and charge all such costs and expenses to Landlord pursuant to this Lease, which Landlord shall pay within thirty (30) days after Tenant delivers an invoice therefor, together with reasonable supporting documentation of such costs and expenses.

(b) *Offset.* Tenant may deduct from any future Monthly Rent due any and all of its costs and expenses relating to curing the Landlord Default pursuant to Section 34.2(a) above. Such offset right shall begin immediately upon Tenant’s performance of Landlord’s unperformed obligations pursuant to Section 34.2(a) above.

(c) *Other.* Tenant may exercise any other remedy available in law or equity and is entitled to recover from Landlord any and all damages arising from a Landlord Default, including any and all costs and expenses of performing Landlord’s unperformed obligations that gave rise to the Landlord Default.

SECTION 35: NOTICES

35.1 Addresses; General Notice Requirements.

(a) *Landlord's Address.* “**Landlord's Address**” means the address set forth beneath Landlord's signature on this Lease. Landlord may notify Tenant of a different address for payments of any Monthly Base Rent, Additional Rent or other amounts due to Landlord under this Lease.

(b) *Tenant's Address.* “**Tenant's Addresses**” means the addresses set forth beneath Tenant's signature on this Lease.

(c) *General Notice Requirements.* Any notices, demands, deliveries or other communications required under this Lease shall be made in writing and delivered by one of the methods set forth in Section 35.3 below to Landlord's Address or Tenant's Addresses, as the case may be, unless one Party modifies its Address(es) by notice to the other Party, given in accordance with Section 35.3 below. In order to be effective, any notice, demand, delivery or other communication required to be made to Tenant under this Lease shall be sent to both of Tenant's Addresses. Notwithstanding anything to the contrary in this Section 35.1, any notice delivered to Tenant shall be delivered to Tenant's Email Address (set forth as “Tenant's 2nd Address” beneath Tenant's signature on this Lease), in addition to any other delivery method.

35.2 Notice to DAS. For any notices, demands, deliveries or other communications that Tenant is required to make to Landlord under this Lease, Tenant shall also deliver a copy of such notice, demand, delivery or other communication to DAS, at the email address set forth beneath Tenant's signature below as Tenant's 2nd Address; provided, however, that Tenant's failure to deliver such notice to DAS shall not obviate the effectiveness of notice to Landlord hereunder.

35.3 Delivery.

Method of delivery	When notice deemed delivered
In person (including by messenger service)	the day delivered, as evidenced by signed receipt
Email or Fax	the day sent (unless sent after 5:00 p.m., P.T., in which case the email or fax shall be deemed sent the following business day)
US Mail (postage prepaid, registered or certified, return receipt requested)	the day received, as evidenced by signed return receipt
Courier delivery (by reputable commercial courier)	the day received, as evidenced by signed receipt

If the deadline under this Lease for delivery of a notice is a Saturday, Sunday or federal or State of Oregon holiday, such deadline shall be deemed extended to the next business day.

35.4 Property Manager. *Intentionally Omitted*

SECTION 36: MISCELLANEOUS

36.1 Time is of the Essence. Time is of the essence in relation to the Parties' performance of any and all of their obligations under this Lease.

36.2 Calculation of Days. Any reference in this Lease to "days" shall mean calendar days, unless specified as "business days." A business day is any day that is not a Saturday, Sunday or a federal or State of Oregon holiday.

36.3 Consent. Unless otherwise specifically stated herein, any consent by a Party shall not be unreasonably withheld, conditioned or delayed.

36.4 Integration. This Lease constitutes the entire agreement between the Parties on the subject matter hereof. The Parties have no understandings, agreements or representations, oral or written, regarding this Lease that are not specified herein.

36.5 Amendments. This Lease may be amended or modified only by a written instrument signed by both Parties.

36.6 No Waiver of Performance. No waiver by a Party of performance of any provision of this Lease by the other Party shall be deemed a waiver of nor prejudice the other Party's right to otherwise require performance of the same provision, or any other provision.

36.7 Severability. If any term or provision of this Lease is declared by a court of competent jurisdiction to be illegal or in conflict with any Law or Ordinance, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Lease did not contain the particular term or provision held to be invalid.

36.8 Counterparts. This Lease and any amendments hereto may be executed in two or more counterparts, each of which is an original, and all of which together are deemed one and the same document, notwithstanding that both Parties are not signatories to the same counterpart.

36.9 Governing Law; Consent to Jurisdiction. This Lease is governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any Claim between Tenant (or any other agency or department of the State of Oregon) and Landlord that arises from or relates to this Lease shall be brought and conducted solely and exclusively within the jurisdiction of the Circuit Court of Yamhill County in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Each Party hereby consents to the exclusive jurisdiction of the foregoing courts, waives any objection to venue and waives any claim that such forums are an inconvenient forum. In no event shall this Section 36.9 or any other provision of this Lease be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, or consent by the State of Oregon to the jurisdiction of any court.

36.10 No Presumption against Drafter. No inference, presumption or conclusion shall be drawn against either Party by virtue of that Party having drafted this Lease or any portion thereof.

36.11 Force Majeure. A Party shall not be liable for any delay in performance under this Lease, other than payment of any money to the other Party, if such delay is caused by Casualties, strikes, lockouts, riots, wars, acts of public enemies, insurrections, acts of God, shortages of labor or materials or any other such causes not within the control of the first Party (any such event being a “**Force Majeure Event**”).

36.12 Brokers. *Intentionally Omitted*

36.13 Exhibits. The Exhibits listed below are incorporated as part of this Lease:

- Exhibit A: Premises, Building and Property
- Exhibit B: *Intentionally Omitted*
- Exhibit C: *Intentionally Omitted*
- Exhibit D: *Intentionally Omitted*
- Exhibit E: *Intentionally Omitted*
- Exhibit F: *Intentionally Omitted*
- Exhibit G: Entry and Security Restrictions

[remainder of this page intentionally left blank]

Each person signing this Lease below on behalf of a Party represents and warrants that he or she is duly authorized by such Party and has legal capacity to do so.

LANDLORD:

City of McMinnville, a political subdivision of the State of Oregon

Signature _____ Date _____
Name _____
Title _____

Landlord's Address

Address: 231 NE 5th Street
City, State, ZIP: McMinnville, OR 97128
ATTN: Mike Bisset, or successor
Phone Number: 503-434-7312
Email Address: mike.bisset@mcminnvilleoregon.gov

TENANT:

The State of Oregon, acting by and through its Oregon State Police

Signature _____
Name _____ Date _____
Title _____

APPROVED BY OREGON DEPARTMENT OF ADMINISTRATIVE SERVICES

Signature _____
Name _____ Date _____
Title _____, Real Estate Services

Tenant's Addresses

In order to be effective, any notice, demand, delivery or other communication required to be made to Tenant under this Lease shall be sent to both of Tenant's Addresses set forth below:

1. Tenant's 1st Address

Address: 3565 Trelstad Ave SE
City, State, ZIP: Salem, Oregon 97317
ATTN: Kailean Kneeland, or successor
Phone Number: 503-602-9675
Email Address: kailean.kneeland@osp.oregon.gov

2. Tenant's 2nd Address

Email Address: res.info@oregon.gov

Template: MG/MT/Existing location/NWL
#9291142v1
Rev. 8.2.2019
2673OSPMcMinnville3975 SE Cirrus AvenueHDLeaseJB/JB_02/18/20_V16
#10234156v16

Exhibit A
Premises, Building and Property



Exhibit G
Entry and Security Restrictions

Landlord shall comply all of the following entry restrictions for the Premises. Capitalized terms used but not defined in this document shall have the same definitions as set forth in the Lease to which this document is attached.

Routine Facility Contact: Name: Shannon Peterson
Title: Facilities Coordinator
Cell Number: 503-507-9021
Email: shannon.peterson@osp.oregon.gov

Primary Emergency Facility Contact: Name: Sharon Domaschofsky
Title: Business Services Manager
Cell Number: 503-509-6116
Email: sharon.domaschofsky@osp.oregon.gov

Secondary Emergency Facility Contact: Name: Kailean Kneeland
Cell Number: 503-602-9675
Title: Administrative Services Director
Email: kailean.kneeland@osp.oregon.gov

Introduction: The Premises contain systems with access to highly sensitive information, which Tenant uses for its operations as an agency of the State of Oregon. These systems, which are maintained by the Federal Bureau of Investigation (“FBI”), contain data from the FBI’s Criminal Justice Information Services (“CJIS”). CJIS information include fingerprinting, criminal background and other information gathered by law enforcement sources.

Due to the highly sensitive nature of the CJIS information, the FBI requires certain security protocols for any areas that contain CJIS systems. Tenant’s failure to comply with these protocols may jeopardize Tenant’s CJIS access.

Accordingly, Landlord (including all of Landlord’s agents, employees, contractors and the Property Manager, if any) shall strictly comply with the following requirements regarding entry onto the Premises.

Non-Emergency Entry: In order to perform Landlord’s maintenance, repair and replacement obligations under the Lease (as well as for other entry as allowed by the Lease), Landlord shall not enter upon the Premises except with an escort provided by Tenant. This restriction applies during Tenant’s normal business hours, off-hours, and weekends and holidays. Landlord shall schedule such non-emergency entry onto the Premises at least two (2) business days in advance, so that Tenant can arrange for an escort. Tenant may work with Landlord, at Landlord’s sole cost and expense, to have Landlord’s individual contractors and agents be “CJIS cleared”—that is, pass certain background check requirements under CJIS requirements—in order to minimize the time Tenant would be required to escort those individuals on the Premises.

To schedule such non-emergency entry onto the Premises, Landlord shall contact Tenant’s Routine Facility Contact named above.

Exhibit G
Entry and Security Restrictions

Emergency Entry: In cases of emergency, where it is imperative that Landlord obtain access to the Premises in order to prevent harm to persons or property, Landlord shall contact Tenant's Primary Emergency Facility Contact named above to coordinate entry onto the Premises.

If Landlord is unable to contact the Primary Emergency Facility Contact, Landlord shall contact Tenant's Secondary Emergency Facilities Contact named above.

HDExG_10.25.19

#10234163v5

**STATE OF OREGON
INTERGOVERNMENTAL OFFICE SPACE LEASE AMENDMENT**

THIS LEASE AMENDMENT, effective January 1, 2013, is made by and between CITY OF MCMINNVILLE, a political subdivision of the State of Oregon (Lessor) and the STATE OF OREGON, acting by and through its Department of State Police (Lessee).

Lessor and Lessee are parties to a Lease dated March 19, 2009, (herein referred to as the Lease), covering Premises described as approximately 8,004.38 rentable square feet, consisting of 6,604.8 rentable square feet of office space and 1,399.58 square feet of common space located at 3975 SE Cirrus Avenue, McMinnville, Yamhill County, Oregon 97128.

Lessor and Lessee desire to amend or supplement the Lease.

In consideration of the mutual agreements contained herein, Lessor and Lessee agree that the Lease shall be amended or supplemented as follows:

1. Premises. The Premises shall be increased by **780 rentable square feet of storage space**. The new Premises shall be known as **approximately 8,784.38 rentable square feet**, consisting of 6,604.8 rentable square feet of office space, 780 rentable square feet of storage space and 1,399.58 square feet of common space located at 3975 SE Cirrus Avenue, McMinnville, Yamhill County, Oregon 97128.

2. Rent. Section 3 of the Lease is hereby deleted in its entirety and replaced with the following:

Rent. Lessee shall pay Base Rent in arrears by the 10th day of each month for the preceding month or partial month. The Base Rent for any partial month shall be prorated on a per diem basis. The monthly Base Rent shall be per the following Rent Schedule:

<u>LEASE PERIOD</u>	<u>NET RENT*</u>	<u>STORAGE SPACE**</u>	<u>BASE RENT</u>
05/01/09 – 04/30/10	\$7,203.94	\$0	\$7,203.94
05/01/10 – 04/30/11	\$7,420.06	\$0	\$7,420.06
05/01/11 – 04/30/12	\$7,642.66	\$0	\$7,642.66
05/01/12 – 12/31/12	\$7,871.94	\$0	\$7,871.94
01/01/13 – 04/30/13	\$7,871.94	\$585.20	\$8,457.14
05/01/13 – 04/30/14	\$8,108.10	\$585.20	\$8,693.30
05/01/14 – 04/30/15	\$8,351.34	\$585.20	\$8,936.54
05/01/15 – 04/30/16	\$8,601.88	\$585.20	\$9,187.08
05/01/16 – 08/31/16	\$8,859.93	\$585.20	\$9,445.13
09/01/16 – 04/30/17	\$8,859.93	\$602.76	\$9,462.69
05/01/17 – 04/30/18	\$9,125.74	\$602.76	\$9,728.50
05/01/18 – 04/30/19	\$9,399.50	\$602.76	\$10,002.26

*Tax Exemption - It is hereby agreed between the parties that the Rent to be paid by Lessee, as stated in Section 2 – Rent above, has been established to reflect the savings below market rent resulting from the exemption from taxation.

**Construction of the storage space is to be completed by January 1, 2013. Exhibit G-Construction Plans, are to be attached by Lessor. Alterations to that move in date will be captured in an Intergovernmental Lease Amendment.

3. **Option to Extend.** Section 4 of the Lease is hereby deleted in its entirety and replaced with the following:

4. **Option to Extend.** If Lessee is not in default, Lessee shall have the option to extend this Lease for one (1) additional extension term of five (5) years. The extension term shall commence on the day following the expiration of the immediately preceding term. Notice exercising the extension option shall be delivered to Lessor in writing not less than ninety (90) days prior to the expiration of the preceding term. If such notice is given, all terms and conditions of this Lease, except as expressly amended, shall apply during the extension term. Accordingly, the monthly Base Rent for the extension term shall be per the following Rent Schedule:

<u>LEASE PERIOD</u>	<u>NET RENT</u>	<u>STORAGE SPACE</u>	<u>BASE RENT</u>
05/01/19 – 04/30/20	\$9,681.49	\$602.76	\$10,284.25
05/01/20 – 04/30/21	\$9,971.92	\$602.76	\$10,574.68
05/01/21 – 04/30/22	\$10,271.08	\$602.76	\$10,873.84
05/01/22 – 04/30/23	\$10,579.22	\$602.76	\$11,181.98
05/01/23 – 04/30/24	\$10,896.60	\$602.76	\$11,499.36

3. **Work to be Performed by Lessor.** Section 8 of the Lease is hereby amended to include the following:

8. Work to be Performed by Lessor.

(a) Prior to January 1, 2013, Lessor shall, at Lessor's sole cost and expense develop appropriate design specifications and construction plans as described in the attached Exhibit E-Storage Site Plan and Exhibit G-Construction Plans, for a serviceable and safe storage facility which will incorporate Lessee's requirements and improve the Premises with all work to be done in accordance with the utmost professional standards and in the most highly professional manner. All work shall comply with the performance standards provided in the attached Exhibit F-Department of Administrative Services Leased Facilities Construction Standards, and Uniform Building Codes with the latest State of Oregon Amendments in effect at the commencement of such work, and shall meet all requirements for accessibility and usability by disabled persons as provided in the Americans with Disabilities Act ("ADA") in accordance with the standards provided in the ADA Accessibility Guidelines for Buildings and Facilities ("ADAAG"). With respect to parking for the disabled, compliance with Oregon Revised Statutes (ORS) 447.233 is required. Lessor shall obtain all required building and occupancy permits and final inspections by all applicable code enforcement agencies.

(b) Upon completion of the work, Lessor shall provide Lessee a statement, signed by Lessor, that the work has been completed in full compliance with all applicable codes and specific provisions required by said Exhibit E-Storage Site Plan, Exhibit G-Construction Plans, and the applicable provisions in the attached Exhibit F-Department of Administrative Services Leased Facilities Construction Standards and that the Premises are ready for occupancy. The Lessor's statement shall be supported with appropriate attachments including permits, inspection reports, warranties, and reports of consulting professionals, as applicable. Lessee will, within five (5) working days of receipt of Lessor's statement, inspect the work and determine its acceptability.

(c) If the Lessor is unable or unwilling to complete the work as described in Exhibit E-Storage Site Plan and Exhibit G-Construction Plans, by January 1, 2013, the Lessee, at its option, without notice or demand, may declare this Lease void and vacate the Premises without further liability to Lessor.

(d) Any defects or omission of Lessor's work identified during the inspection or thereafter identified by Lessee shall be completed or corrected by Lessor at Lessor's expense within thirty (30) days of the

inspection or Lessee notification to Lessor. If Lessor fails to correct or complete them within that period, Lessee may, after written notice to Lessor, have the necessary work accomplished, and deduct the cost plus any related costs from the rent.

5. **Default.** Section 20 of the Lease is hereby deleted in its entirety and replaced with the following:

20. Default. Neither party shall be in default under this Lease until written notice of the unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of a payment or for thirty (30) days in the case of other obligations. If the obligation cannot be performed within the thirty day period, there shall be no default if the responsible party commences a good faith effort to perform the obligation within such period and continues diligently to complete the performance. In case of a default the nondefaulting party may terminate this Lease with thirty (30) days prior written notice to the defaulting party, and it shall be entitled to recover damages or any other remedy provided by applicable law, or it may elect to perform the defaulting party's obligation and recover from the defaulting party the costs plus interest at the legal rate of eight percent (8%) per annum for judgment. If Lessee makes such expenditures as the nondefaulting party, those expenditures plus reasonable administrative costs shall be deducted from the rent.

6. **Counterparts.** The following language is added as Section 28 of the Lease:

28. Counterparts. This Lease, including any amendments to the Lease, may be executed in two or more counterparts, by facsimile or otherwise, each of which is an original, and all of which together are deemed one and the same Lease, notwithstanding that all parties are not signatories to the same counterpart.

7. **Tax Exemption.** The following language is added as Section 29 of the Lease:

29. Tax Exemption. Lessor shall not be responsible for payment of any taxes which may be incurred as a result of Lessee's taxable status in the Premises. In order for Lessee to be tax exempt for the Premises, Lessee must file for tax exemption in accordance with ORS 307.166. Any assessed taxes or penalties that result from Lessee's failure to file for tax exempt status and maintain that status throughout the term of this Lease and applicable extension options shall be the responsibility of Lessee. Lessor agrees to assist Lessee with any exemption filing necessitated by ORS 307.166 if so requested by Lessee.

8. **State Workers' Compensation Act.** The following language is added as Section 30 of the Lease:

30. State Workers' Compensation Act. Should Lessor employ any "subject worker," as defined in ORS 656.005(28), to perform any work required under this Lease, the Lessor shall comply with the Workers' Compensation Law, ORS 656.001, et seq. Lessor, to the extent it employs such "subject worker(s)," and Lessor's contractors or subcontractors, if any, and any employers providing work, labor or materials under this Lease are "subject employers" under the Workers' Compensation Law and shall comply with ORS 656.017, which requires "subject employers" to provide Oregon workers' compensation coverage that conforms to Oregon law for all of their "subject workers", or are exempt under ORS 656.126.

Except as expressly amended or supplemented hereby, all other terms and conditions of the Lease shall remain in full force and effect.

LESSOR: CITY OF MCMINNVILLE,
a political subdivision of the State of Oregon

By *Kurt Taylor*

Date 12.4.12

LESSEE: STATE OF OREGON, acting by and through its
Department of State Police

By *[Signature]*

Date 8-16-12

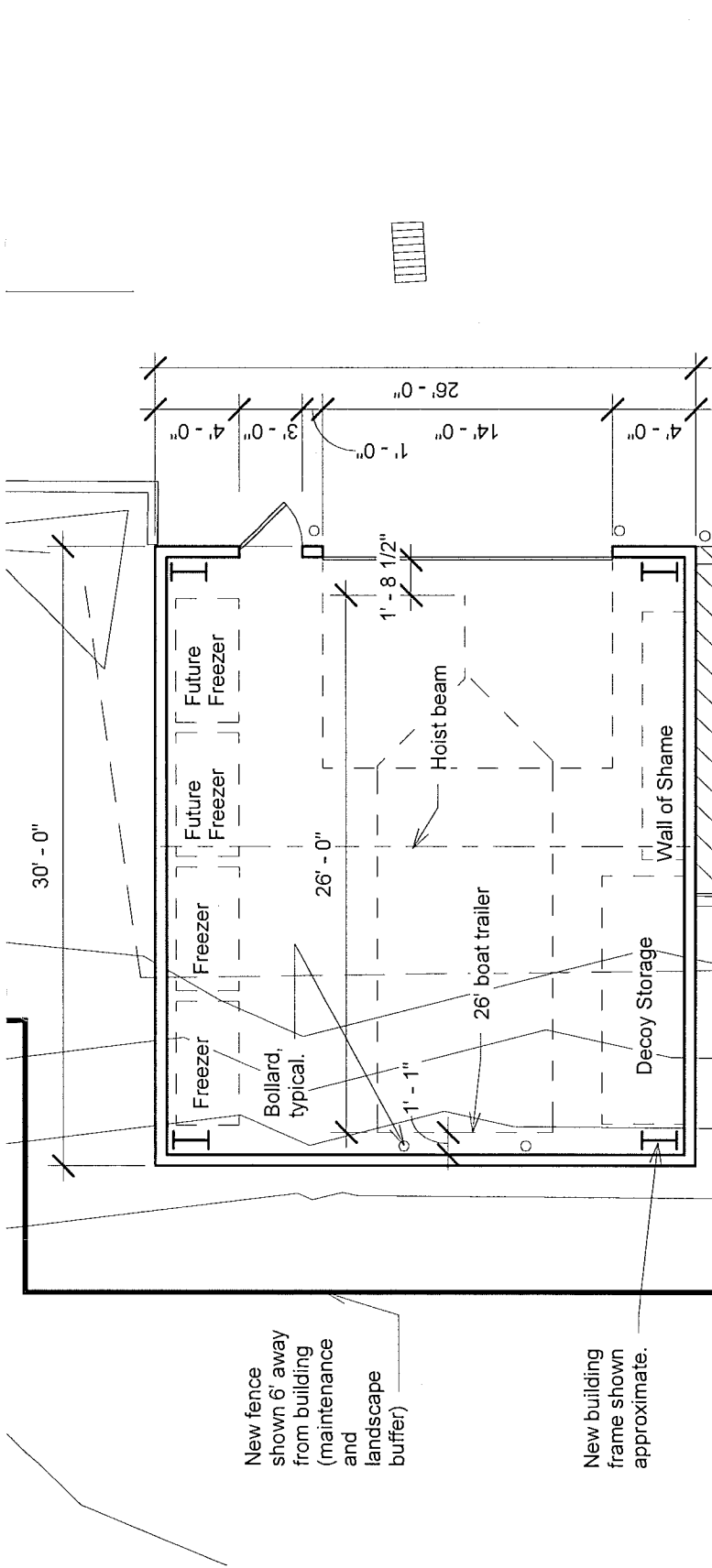
APPROVAL: STATE OF OREGON, acting by and through its
Department of Administrative Services

By *[Signature]*
Facilities Division

Date 12.12.12

LIST OF EXHIBITS

1. Exhibit E – Storage Site Plan (attached)
2. Exhibit F – Department of Administrative Services Leased Facilities Construction Standards (attached)
3. Exhibit G – Construction Exhibits (to be attached)



Preliminary Not for Construction

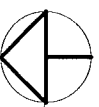
Plan Questions:

1. 26'x30' = 780 square feet.
2. Will an interior hoist beam be useful if the boat trailer is parked in the building, with only a 14' wide overhead door? Optional exterior hoist beam shown.
3. In past storage buildings the city has installed 8' of plywood on the inside face; this protects the wall insulation and vapor barrier and provides a place for attaching (stabilizing) wall-mounted items, such as shelving. Will the wall insulation behind the wall of shame and decoy storage need this protection? It's good to save cost, but also good to install things protecting the building for the long term.
4. Is a boat trailer 26' long going to fit easily into a building that is 30' deep on outside but likely 28' on the inside? Bollards will require about 8" from the interior length, but it seems prudent to protect the interior wall framing and motor propeller?
5. Will a freeze-protection heating system be needed for the boat or other items in the building which may have freeze-able liquid in them?

New fence shown 6' away from building (maintenance and landscape buffer)

New building frame shown approximate.

Optional exterior hoist beam, paint adjacent parking space no parking.



1 Plan A
1/8" = 1'-0"

Reference North

MARCIA A. MIKESH
ARCHITECT, INC.
301 Pinerhurst Drive
Newberg, OR 97132
P. 503.538.5484
F. 503.538.6714
www.goodhut.com
marcia@goodhut.com
COMMERCIAL • INSTITUTIONAL • RESIDENTIAL

**McMinnville
OSP Storage
Building**

EXHIBIT E	
Project number	2012.02
Date	6/11/2012
Revised	
Drawn by	M. Mikesh
Scale	1/8" = 1'-0"

1A

STATE OF OREGON
DEPARTMENT OF ADMINISTRATIVE SERVICES
FACILITIES DIVISION

LEASED FACILITIES
CONSTRUCTION STANDARDS

REVISED
February 2000

Exhibit F

**Facility Project Manual Construction Standards
Leased Facility**

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Oregon Department of Administrative Services

Construction Performance Standards

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Facility Project Manual Construction Standards

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Note: *Numbers in parenthesis refer to the Standard Construction Institute Specifications (CSI) system numbers.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Purposes of the Standards

1. This document is designed to offer standards of performance for construction or remodeling office facilities leased to, or to be leased by, agencies of the State of Oregon as tenants.
2. The standards listed herein are mandatory for new build-to-suit projects and major renovation projects. Some portions of these standards may be exempted if a written request is filed with the Division describing the nature of the changes. The Division will evaluate whether or not the changes or discrepancies are acceptable and if additional modification will be required before the building is acceptable. In no case shall standards relating to basic code safety requirements, accessibility by disabled persons, or an adequate electrical and HVAC system be waived. Where a particular lease document specifies standards or requirements, such standards or requirements shall prevail.
3. In order to make these Standards more easily understood, and to recognize accepted construction industry practices, references will be made to published standards, such as:
 - a. Standard material specifications, such as those prepared by ASTM, ANSI, or other agency or association;
 - b. Installation standards by various trade associations, societies, or institutes, etc.

Wherever standards are mentioned in this document, it is intended that the contents of the standard will be fully incorporated into the Project Specifications to be prepared by project architect or engineer. Excepting the portions expressly exempted or modified, all the standards contained herein are considered as binding as if it was fully set forth in the Project Specifications. This requirement also applies to standards that are voluntary, that is, those that have not yet been uniformly adopted by all interested parties. Unless otherwise stated in this document, use the latest edition of a given industry performance standard to determine Project Specifications.

4. This document is not intended as a substitute for a Project Specification. A Project Specification should be developed for each project by a Project Architect/Engineer incorporating the standards contained in this document.
5. Asbestos: Where asbestos or other materials defined by law as health hazards are used in the building, it must be abated or otherwise contained so that the building may be free from such health hazards; and a certification to that effect shall be provided to the Division.
6. Americans with Disabilities Act (ADA). Compliance with the requirements of the ADA in accordance with the ADA standards of the Accessibility Guidelines for Buildings and Facilities (ADAAG) is required.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Definitions

1. **Approval By:** "Approval by the Division" of any Drawings is a general approval relating only to compliance with the intent of these construction standards or, the tenant's purposes or use, and shall not constitute a waiver of errors, misfits, discrepancies or omissions of requirements or standards applicable to the project.
2. **Approved Equal:** A product, component or process whose use in or on a particular project is specified as a standard for comparison purposes only. The "equal" product, component or process shall be the same or better than that named in function, performance, reliability, quality, and general configuration. Determination of equality in reference to the project design will be made by the Project Architect or Engineer with concurrence by the Division.
3. **As required:** In accordance with applicable codes, industry standards, or manufacturers recommendations.
4. **Certificate of Acceptance:** Standard Division form which must be signed by all who have been assigned specific duties relative to the performance of the work, with ultimate approval and acceptance by the Agency and/or Division.
5. **Design Professional:** A registered professional Architect or Engineer who is responsible for the overall aesthetic and technical design of the Project.
6. **Division:** Facilities Division of the State of Oregon Department of Administrative Services, as itself a Lessee or acting for other state agency as Lessee. Where Division is not so involved, the term "Division" in this document shall mean any state agency acting for itself as Lessee.
7. **General Requirements:** General technical, procedural, or administrative requirements which apply to the Project as a whole, and which apply uniformly to the product and materials standards found in Chapters Two through Seven.
8. **Improvement:** General term encompassing all phases of the work to be performed and is synonymous to the term Project.
9. **Inspector:** The authorized representative of the Agency and/or Division whose instructions and decisions shall be limited to the particular duties and responsibilities entrusted to him or her in making detailed inspections of any or all portions of the work or materials therein.
10. **Lessor:** The owner, contractor, superintendent or other agent of the owner empowered to act for the owner to resolve lease and construction issues.
11. **Or approved:** Same as "Approved Equal". Refer to the procedures specified in Chapter One - General Requirements, Substitutions and Product Options.
12. **Plans:** Official Plans, profiles, cross sections, elevations, details, and other working, supplementary and detail drawings, or reproductions thereof, signed by the Architect and/or respective Engineer, which shows the location, character, dimensions and details of the work to be performed.

Leased Facility Construction Standards

Chapter 1 - General Requirements

13. **Project:** General term encompassing all phases of the work to be performed under the contract and is synonymous to the term improvement.
14. **Referenced:** Generally recognized documents issued by organizations. Standards involved in construction which specify requirements for materials and/or techniques of installation for products or materials. Refer to the Section entitled "Materials and Equipment" in Chapter One, General Requirements.
15. **Shop Drawings:** Supplementary plans or data which the Division may require the Contractor/Subcontractor to submit for approval in the absence of plans.
16. **Tenants:** State of Oregon agencies; also referred to as "Lessee".
17. Reference to a technical society, institution, association, or Governmental authority is made in accordance with their acronym as shown in the following table:

AAMA	Architectural Aluminum Manufacturers Association 35 East Wacker Drive; Chicago, Illinois 60601 312-782-8256
AAN	American Association of Nurserymen, Inc. 230 Southern Building; Washington, D.C. 20005
AASHTO	American Association of State Highway and Transportation Officials; 341 National Press Building Washington, D.C. 20004
ACI	American Concrete Institute Box 19150 Redford Station; Detroit, Michigan 48219
ADAAG	Americans with Disabilities Act of 1990, Public Law 101-336 Accessibility Guidelines for Buildings and Facilities,
AISC	American Institute of Steel Construction, Inc. Suite 1580, 1221 Avenue of the Americas; New York, N.Y. 10020
AISI	American Iron and Steel Institute 1000 16th Street N.W. Washington, D.C. 20036
AITC	American Institute of Timber Construction West Hampden Ave.; Englewood, CO. 80110
ANSI	American National Standards Institute 1430 Broadway, New York, N.Y. 10018 212-354-3300
APA	American Plywood Association (Successor to DFPA) 119 "A" Street, Tacoma, Washington 98401 P.O. Box 11700, Tacoma, Washington 98411

Leased Facility Construction Standards

Chapter 1 - General Requirements

ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. 345 East 47th Street; New York, N.Y. 10017
ASTM	American Society for Testing and Materials 1916 Race Street; Philadelphia, PA. 19103 215-299-5485
AWI	Architectural Woodwork Institute 5055 South Chesterfield Rd.; Arlington, VA 22206
AWS	American Welding Society 2501 N.W. 7th Street; Miami, Fla. 33125 305-642-7090
CISCA	Ceiling and Interior Systems Contractors Association 1800 Pickwick Avenue, Glenview, Illinois 60025
CRSI	Concrete Reinforcing Steel Institute 1499 Bayshore Highway - Suite 113, Burlingame, CA 94010
CS	Commercial Standard of National Bureau of Standards U.S. Dept. of Commerce, Supt. of Documents U.S. Government Printing Office, Washington, D.C. 20402
FGMA	Flat Glass Marketing Association 1325 Topeka Avenue; Topeka, Kan. 66614
FM	Factory Mutual Engineering Corporation 1151 Providence; Norwood, Mass. 02062
FS	Federal Specification of General Service Administration Superintendent of Documents, U.S. Government Printing Office Washington, D.C. 20402
	or: Government Bookstore Room 194 Federal Building, 915 2nd Avenue Seattle, Washington 98174
NEC	National Electric Code by NFPA 470 Atlantic Avenue; Boston, Mass. 02210
NFPA	National Fire Protection Association 470 Atlantic Avenue; Boston, Mass. 02210
NFPA	National Forest Products Association 1619 Massachusetts Avenue NW Washington, D.C. 20036
NLPB	Northwest Lath & Plaster Bureau 215 West Harrison Street Seattle, Washington 98119

Leased Facility Construction Standards

Chapter 1 - General Requirements

NRCA	National Roofing Contractors Association 1515 N. Harlem Avenue; Oak Park, Ill. 60302
PCA	Portland Cement Association 33 West Grand Avenue; Chicago, Ill. 60610
PDCA	Oregon Council, Painting and Decorating Contractors of America; 4530 S.E. 67th Ave.; Portland, OR 97206
SIGMA	Sealed Insulating Glass Manufacturers Association 3310 Harrison Street; Topeka, Kansas 66611
SMACNA	Sheet Metal and Air Conditioning Contractors' National Association, Inc. 8224 Old Courthouse Road Tysons Corner, Vienna, VA. 22180
UL	Underwriter's Laboratory, Incorporated 333 Pflingsten Road, Box 247, Northbrook, Ill. 60062
WMMP	Wood Moulding and Millwork Producers 1730 S.W. Skyline, P.O. Box 25278 Portland, Ore. 97225
WWPA	Western Wood Products Association 700 Yeon Building; Portland, OR 97204

Leased Facility Construction Standards

Revised October 11, 1999

Chapter 1 - General Requirements

----- Building Design -----

Building design, and contract documents (plans and specifications) shall be prepared by an architect registered in the State of Oregon. The structural, mechanical and electrical design and contract documents shall be by engineers in those disciplines registered in the State of Oregon, working under the direction of the architect. Contract Document shall be produced on CAD (computer aided drafting) and the Lessee shall be given a printed and electronic copy of the record drawings at final completion.

----- Lessor Construction Document Submittal -----

The Lessor's Construction Document Submittal (Exhibit) shall include the following, if applicable:

1. Architectural Site plan, to show all site features and details.
2. Civil site plan, to show grades and elevations, all site utilities, and details.
3. Landscape and irrigation plans and details.
4. Architectural floor plan, reflected ceiling plan, building sections, wall sections, interior and exterior elevations and details.
5. Structural plans and details.
6. Mechanical plans including HVAC and plumbing and details.
7. Electrical plans including power and lighting and details.
8. Specifications for all the above.

----- Project Meetings -----

1. In order to effectively manage the Project development process, the Division requires that certain meetings be held during the course of the Project at which time all members of the project team are expected to attend.
2. At the most strategic or opportune times or points in the course of the Project for the purposes of Division/Tenant inspection of Project, Lessor shall inform the Division at least two (2) weeks in advance for the opportune time and date, and arrange for the Contractor's superintendent, or the Design Professional's project manager to meet with representatives from the Division to discuss the progress of the Work in general and facilitate such Division/Tenant inspection. At that time, any adjustment to the work and progress schedule will be discussed.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Project Meetings

The opportune time or point for the Division/Tenant inspections shall be at least two (2) to three (3) times during the course of the Project, as applicable:

- 1) When the foundation is poured,
 - 2) When the framing is well underway or near completion before closing, and
 - 3) When Project is substantially completed or completed for punch-list inspection.
3. In addition to the meetings and Division/Tenant inspections described above, the Division reserves the right to call meetings to prevent misunderstandings, or to disseminate information.

Shop Drawings, Samples, and Product Data

1. During the design stage of the Project, the Division will require color and finish samples as specified in Chapters 2 through 7. These samples will be retained by the Division throughout the course of the Project. They need not be supplemented during construction, except when the originally selected colors, textures, patterns, or finishes cannot be provided.
2. Submit a comprehensive color and finish display board of major finish materials for approval by the Division. The display board should include, but not be limited to, color of paint, stain, and other finishes for interior and exterior walls, doors, trim, and other elements of finished construction normally exposed to view.

Materials and Equipment

1. Where the requirements of the Project permit, use materials and products which are the manufacturer's stock item. Where a custom made product is required, consult with the Division and obtain approval before proceeding.
2. When the price, fitness, availability, and quality of two materials or products are equal, select the material or product which has been manufactured in the State of Oregon.
3. Applied finishes of various items of equipment, parts, and hardware installed in the Project shall be selected from the full range of the manufacturer's standard colors and textures. Obtain approval from the Division before selecting custom finishes or colors.

Leased Facility Construction Standards

Chapter 1 - General Requirements

----- Substitutions and Product Options -----

1. No substitution for any product or material which has been previously identified for use on the Project may be made without the Division's prior written approval. When a substitution is requested, the person requesting the substitution must be able to demonstrate:
 - a. That what is proposed is equal or superior in all respects to the original selection;
 - b. That an equal or superior warranty is readily available;
 - c. That indirect and direct costs for the proposed substitute are equal to or less than originally planned, and if not, a written justification for the added expense;
 - d. That if the substitution is approved, any coordinating work will be performed to result in an installation which is complete in all respects.
2. The equality of different materials or products shall be determined by the methods set forth in this Section. No product or material shall be arbitrarily presumed to be "equal" without having first been so judged by appropriate procedures.

----- Changes Authorized by Tenant -----

1. All changes must be authorized by the Lessee's Project Coordinator, and shall be recorded in a written Change Order that includes the added or subtracted cost signed by the Lessee's Project Coordinator and Lessor, prior to commencing with the change. (See page 11 of Performance Specifications)

----- Floor Load Bearing Standards -----

NOTE: The following standards are extraordinary, much higher than the UBC standards. Developer/Lessor shall bring it to the attention of Tenant/Lessee for a possible waiver. Find out if the Tenant indeed needs the higher standards for an exceptional file/records storage or any special equipment. Otherwise, Tenant, communicating to Lessor through the Division, may waive these special standards and accept the normal standards provided under UBC.

Unless Tenant expressly waives the requirement under this section, following floor load bearing standards shall apply:

1. Floor areas designated as office space shall be designed to accommodate a uniform load of 70 lbs.
2. Access floor systems shall be designed to accommodate a uniform load of 100 lbs.
3. Areas designated for light storage shall accommodate a uniform load of 125 lbs.
4. Areas designated for heavy storage shall accommodate a uniform load of 250 lbs.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Floor Load Bearing Standards

These loads shall be taken as minimum live loads in pounds per square foot of horizontal projection to be used in the design of buildings for the occupancies listed.

If the partition locations are subject to change, the floor shall be designed to support, in addition to all other loads, a uniformly distributed dead load equal to 20 lbs. per s.f.

Flooring, including the finish floor, underlayment and subfloor, where used, shall have no more deflection under uniform design load than 1/360 of the span between supporting joists or beams.

Hazardous Communications, HAZCOM

On all remodel projects where employees of the State of Oregon are present, it is the responsibility of the Lessor/Contractor to provide the Tenant with the following information prior to the start of the Project:

1. Material Safety Data Sheets (MSDS) on products the Contractor will be bringing to the job site, which State Employees may be using, exposed to or which may be stored on the site.
2. Precautions or appropriate protective measures are required to minimize the possibility of exposure to hazards.
3. Descriptions of the labeling system in use at the job site.

It is the responsibility of the Contractor to inform and train his/her own employees on the use of Material Safety Data Sheets (MSDS).

Lessor shall obtain from Tenant and inform Contractor of any chemical hazards the tenant uses which may affect the Contractor or his/her employees. Lessor will provide the Contractor with Materials Safety Data Sheets (MSDS) for products stored or used by the tenant in the work area.

If, during the course of demolition work, the Contractor observes or suspects the existence of asbestos in the structure or components of the building, the Contractor shall immediately stop the work in the immediate area and arrange for immediate removal and/or encapsulation of the asbestos. Asbestos abatement work shall include proper air monitoring and clearance samples which will be presented to the Lessor on completion of the work.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Project Closeout

1. When the Lessor considers the Work substantially complete, he/she shall submit to the Division a written notice that the Work (or designated portion thereof) is substantially complete, together with a list of minor work to be completed or corrected. Within a reasonable time after receipt of this notice, the Division will make an inspection to determine the actual status of completion.
2. Should the Division determine that the Work is in fact not substantially complete, he/she will promptly notify the Lessor in writing, giving the reasons. The Lessor shall remedy the deficiencies in the Work, and send a second written notice of substantial completion to the Division.
3. When the Division concurs that the Work is substantially complete, the Division will send the Lessor a letter stating that the project is substantially complete, accompanied by a list of items to be corrected or completed, if any.
4. The Lessor will be allowed no longer than 30 calendar days from the date of substantial completion to remedy any deficiencies. If the work is not completed within this period, the Division may order the work completed by another contractor and deduct the cost from the rent.
5. When the Work is complete, Lessor shall submit a letter to the Division stating that the Work is complete and that the contract documents have been reviewed, and that the Work has been inspected for compliance with Contract Documents.
 - a. Submission implies that the Lessor has, to the best of his/her knowledge, completed the Work in accordance with the contract documents, including "punch list" items, that equipment and systems have been tested and are operational, and that the Work is completed and ready for final inspection and for certificate of occupancy by the local code enforcement agency;
 - b. The Division will make an inspection to verify the status of completion with reasonable promptness after receipt of the Lessor's letter.
6. Contractor's closeout submittals include:
 - a. Evidence of compliance with requirements of governing authorities, including the certificate of occupancy and certain other certificates of inspection as required for elevators and other mechanical and electrical equipment.
 - b. Keys and keying schedule (refer to Chapter 6 - Specialties, Equipment and Furnishings, and the Section entitled "Hardware");
 - c. One set of reproducibles of all drawings submitted as part of the Lease attachments showing "as built" results. As a minimum, "as built" shall show wall and door layouts as constructed, the location of all electrical junction boxes, AC outlets, telephone and computer outlets and the layout of supply and return registers.
 - d. Instructions for operating and maintaining all building components for which the tenants will be responsible.
7. Rent may be withheld until all closeout submittals have been received and approved by the Division.

Leased Facility Construction Standards

Chapter 2 - Site Work

Earthwork

1. Work of this Section includes site preparation, excavation, filling, grading, and similar sitework, when included or involved in the Project.
2. Locate and maintain an accurate benchmark on or near the site which has been established by a registered surveyor. Relate subsequent elevations of finish grades and building elements directly to this benchmark within precise tolerances.
3. Contact representatives of various utility companies and ascertain the location of buried utilities in order to prevent interruption of services to existing facilities.
4. Excavate as required to reach stable and firm bearing within the tolerances of the soils test report for all structural elements. Place fill or backfill in uniform horizontal lifts in a thickness which will permit specified compaction to occur.
5. Take particular caution to properly backfill against building walls and fill under slabs on grade, walkways and paved parking areas. Perform compaction to such a degree that settlement occurring after construction will be eliminated, or inconsequential and uniform in nature.
6. Accurately align finish grades to result in effective and positive drainage of walks, parking lots, and other paved areas.
7. Finished grades of "Access Aisles" must meet the requirement of ADAAG.

Leased Facility Construction Standards

Chapter 2 - Site Work

Drainage

1. Work of this Section includes catch basins, dewatering drains, and foundation drainage.
2. Incorporate an adequate number of drains into the design of new parking lots, walks, and other paved areas to prevent ponding. Size run-off piping according to "Oregon State Plumbing Specialty Code" provisions for rainwater systems; connect to public utility storm drainage system or other approved outlets.
3. Drain grating must be in compliance with ADAAG.
4. Design surface drainage systems to minimize water movement across walking surfaces.
5. Provide continuous perforated drain lines at the lowest point along the base of perimeter foundation and retaining walls exceeding four feet in height and connect to the rainwater system. Backfill using coarse gravel and cover gravel with filter fabric prior to backfilling with earth.
6. Drainage must be away from the building entrances so that entrance is not restricted by pooling water or ice.

Site Improvements

1. Work of this Section includes various site equipment, such as fences, bicycle racks, outdoor furniture and similar items.
2. Bicycle parking racks should be constructed from heavy gauge metal or precast concrete which offer a convenient means of locking bicycles to the rack. Imbed supports in concrete, or anchor using some other vandal-proof mechanism.
3. Outdoor public seating furniture should be constructed from a smooth surface, non-corrosive material, with openings to accommodate water run-off. Anchor firmly to supports using vandal-proof fasteners. Covered seating areas shall be of a design complimentary to adjacent buildings, and shall have enough free standing area to accommodate a wheelchair.
4. Trash collection area should be shielded and be compatible with the building's design and capable of accommodating a minimum of one 1-1/2 cubic yard trash container. The size and type of trash container shall be based upon agency needs and the local collection service requirements. The enclosure shall be located adjacent to the building and accessible to commercial pick-up.
5. Cigarette and trash receptacles should be provided at all outside entrances to the building. Design and appearance of the receptacles shall be compatible to the general design and appearance of the building.

Leased Facility Construction Standards

Chapter 2 - Site Work

Landscaping

1. Work of this Section includes design and installation of lawns, shrubs, and trees, irrigation systems, and similar work.
2. Accomplish the work of this Section in conformance to the following standards:
 - a. Plant identification according to the American Joint Committee on Horticultural Nomenclature's publication, Standard Plant Names.
 - b. American National Standards Institute: ANSI Z 60.1, "Standard for Nursery Stock".
 - c. American Association of Nurserymen: AAN "Horticultural Standards".
3. Before starting any landscaping work, submit a landscape plan to the Division for its approval. Clearly show the extent of work, the type of each planting material, and the method of installation. The entire site shall be landscaped with lawn, shrub, or tree plantings; provide a fully automatic irrigation system in lawn and shrub areas.
4. Use healthy, vigorous landscaping materials, as defined by 2b and 2c above, which are indigenous to the geographical location of the site. Design the landscape so that minimum upkeep is required, and normal plant development may take place without the need for unusual or specialized skills on the part of maintenance personnel.
5. Do not proceed with planting when conditions detrimental to plant growth are encountered. Schedule installation of trees and shrubs to occur after final grades have been established, and before lawn seeding takes place.
6. Flush, balance, and test the completed irrigation piping system before backfilling. Adjust coverage area and velocity of spray heads to result in uniform irrigation. Ensure that heads in grass areas are installed at height not to interfere with mowing. Include provisions for winterizing and dewatering system.
7. Finish grade for planting beds shall be held below adjacent paved areas to accept barkdust or other ground cover materials.

Paving and Surfacing

1. Work of this Section includes paving for parking areas and for site access and circulation roads constructed from bituminous mixtures or portland cement concrete.
2. Paving base, sub-base materials, and methods of installation shall conform to the State of Oregon "Standard Specifications for Highway Construction".

Leased Facility Construction Standards

Chapter 2 - Site Work

3. Select an asphalt paving system compatible with the type and intensity of use the completed surface will have which meet or exceeds the following minimum requirements:

Base: 8" crushed rock.
Surface: 2" Class C.

Areas subject to subsurface water shall be identified and the sub-base materials modified to meet the specific conditions.

4. Install continuous concrete curbing around the perimeter of circulation drives and parking areas; install permanently anchored wheel stops at each parking stall. Extruded concrete curbs may be used if they are permanently anchored to the paving, and contain 1.5 lbs. of fiber reinforcement for each cubic yard of concrete. Fibrous concrete reinforcement shall be as manufactured by fibermesh, or equal. Make openings in continuous curbs at appropriate locations to permit drainage of rain water run-off.
5. Mark off parking spaces by painting 3 inch wide strips using a paint specially formulated for paved surfaces. Indicate traffic flow by painting arrows. Parking space for State of Oregon vehicles shall be numbered with 12 inch numbers using same paint as above. Striping for disabled parking stalls shall meet the current Oregon UBC requirements.
6. Identify each parking space intended for use by disabled persons with the internationally recognized symbol on the parking surface. A sign shall be posted for each disabled person parking space. The sign shall be clearly visible to a person parking in the space and shall be marked with the international symbol of access and applicable ORS citation in at least one inch high letters. The number of disabled spaces shall be determined by those required by Code plus those required for disabled staff occupying the building as may be requested by tenant agency.

Site Utilities

1. Work of this Section includes requirements for various utility systems which will be serving the completed facility, including natural gas, water, storm sewers, sanitary sewers, electric service, and data communications lines.
2. Locate utility meters in an easily accessible, but inconspicuous location on the site or on the exterior of the building where they will not conflict with vehicular or pedestrian traffic.
3. Work together with serving utility companies in order to provide full, uninterrupted service to the facility. Comply with various regulations pertaining to service connections and fees; the Division will not be responsible for utility costs until after the date of occupancy.
4. Insure that all new facility projects shall be supplied by underground lines.

Leased Facility Construction Standards

Chapter 3 - Building Structure

Concrete

1. Work of this Section includes requirements for concrete materials and workmanship.
2. Comply with the following standards listed below whose provisions are applicable to this particular project.
 - a. American Concrete Institute:
 - ACI 211, "Recommended Practice for Selecting Proportions for Normal and Heavyweight Concrete".
 - ACI 214, "Recommended Practice for Evaluation of Compression Test Results of Field Concrete".
 - ACI 301, "Specifications for Structural Concrete for Buildings".
 - ACI 347, "Recommended Practices for Concrete Formwork".
 - ACI 304, "Recommended Practice for Measuring, Mixing, Transporting and Placing Concrete".
 - ACI 306, "Standard Recommended Practice for Cold Weather Concreting".
 - ACI 305, "Standard Recommended Practice for Hot Weather Concreting".
 - ACI 315, "Manual of Standard Practice for Detailing Reinforced Concrete Structures".
 - b. Concrete Reinforcing Steel Institute:
 - CRSI "Manual of Standard Practice".
 - c. Portland Cement Association:
 - PCA "Design and Control of Concrete Mixtures".

Masonry

1. Work of this Section includes basic requirements for masonry materials and workmanship.
2. Use materials and techniques of workmanship conforming to the following industry standards containing provisions applicable to this particular project.
 - a. Brick Institute of America: BIA "Technical Notes on Brick Construction".
 - b. National Concrete Masonry Association: NCMA "NCMA-TEK" Information Series.
3. Perform the work of this Section using experienced journeyman masons. Protect completed masonry as the installation progresses; prevent excessive water absorption from rainfall, and remove mortar or other stains before they can mar faces exposed to view.

Leased Facility Construction Standards

Chapter 3 - Building Structure

Metals

1. Work of this Section includes requirements for structural metal materials and light gauge metal framing.
2. Comply with the standards listed below which contain provisions applicable to this particular Project.
 - a. Aluminum Association:
AA "Specification for Aluminum Structures".
AA "Designation System for Aluminum Finishes".
 - b. American Institute of Steel Construction:
AISC "Specifications for the Design, Fabrication, and Erection of Structural Steel for Buildings".
AISC "Code of Standard Practice".
 - c. American Iron and Steel Institute:
AISI "Specification for the Design of Cold Formed Steel Structural Members".
 - d. American Welding Society:
AWS D 1.1, "Structural Welding Code", with Revisions.
AWS "Standard Qualification Procedure".
3. Install load-bearing walls and non load-bearing partitions constructed from light gauge steel studs and track to tolerances of 1/4 inch in ten feet, or less. Securely fasten track to floor and ceiling or overhead structure.

Wood

1. Work of this Section includes basic requirements for rough carpentry, wood and metal joists, and prefabricated structural wood.
2. Use materials and techniques of workmanship conforming to the following standards when they contain provisions applicable to this particular project.
 - a. American Plywood Association:
APA C 20, "Plywood Specification and Grade Guide."
APA Y 510, "Plywood Design Specification", with supplements.
 - b. American Wood Preserver's Institute:
AWPI Quality Control and Inspection System (incorporating requirements for identification with AWPB Quality Mark).
 - c. National Forest Products Association: "National Design Specification for Wood Construction".
 - d. United States Product Standards:
PS 1, "Standard for Construction and Industrial Plywood."
PS 20, "American Softwood Lumber Standard".
PS 56, "Voluntary Product Standard for "Structural Glued Laminated Timber". (ANSI A 190.1)

Leased Facility Construction Standards

- e. Western Wood Products Association: "Grading Rules for Western Lumber".

Chapter 4 - Building Envelope

----- Waterproofing -----

1. Work of this Section includes impervious membranes or coatings applied to walls, slabs, or other surfaces subject to occasional hydrostatic head or water immersion.
2. Where there is reasonable evidence to indicate that portions of the building incorporating usable space extending below ground level will be subjected to periods of hydrostatic pressure, install waterproofing to fully protect the structure and its contents. Reasonable evidence includes historical data of the site or neighborhood, water tables measured by soils testing, or water flow uncovered during excavations. Acceptable waterproofing materials include bentonite panels, sheet or liquid applied elastomeric products, built-up bituminous membranes, modified bituminous sheets, or other materials which have been specifically formulated for this purpose.
3. Protect installed waterproofing from damage from backfilling, compaction, construction traffic, or other potentially destructive action by protecting surfaces with fiberboard, or by other sufficient means. If damage does occur, repair the area as required before the installation is covered.

----- Dampproofing -----

1. Work of this Section includes materials installed to provide resistance to moisture penetration through surfaces subject to high humidity, dampness, or direct water contact, but not subject to hydrostatic pressures. Includes below grade coatings, water repellent coatings, and vapor barriers.
2. Coat exterior surfaces of concrete walls extending below grade with dampproofing, unless the space opposite of the wall is not intended to be occupied. Acceptable dampproofing materials include emulsified asphalt or synthetic plastic emulsions specifically designed for this purpose. Protect dampproofed walls from abrasive damage by backfilling against a layer of fiberboard or other protective material formulated for this purpose.
3. Install a sturdy vapor barrier below interior concrete slabs. Acceptable products include brands of reinforced plasticized sheets, composite paper and plastic sheets, 55 lb. rolled roofing, or other similar materials designed for this purpose.

----- Insulation -----

1. Work of this Section includes thermal insulation manufactured from a variety of materials and produced in a number of different configurations.
2. Use insulation products on this Project which have been manufactured by a company with at least five continuous years experience in the field. Install one or more of the following generic types: glass fiber, mineral fiber, polystyrene, urethane, polyurethane, isocyanurate, perlite or vermiculite. Other generic product types require prior approval from the Division.
3. Installation of insulation shall be carefully performed in order to insure continuity of thermal protection. If a vapor barrier is used, install it on the warm side of the assembly, without tears, breaks, or separations. Maintain adequate positive ventilation space between insulation and other components of the assembly.
4. Ensure that insulation values meet the requirements of Chapter 53 of the "State of Oregon Structural Specialty

Leased Facility Construction Standards

Code and Fire and Life Safety Code" regardless of area or volume.

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Chapter 4 - Building Envelope

----- Windows and Storefront Systems -----

1. Work of this Section includes fixed and/or operable metal and storefront systems. Also includes openings for special applications, such as may be needed for security and sound control.
2. Comply with applicable portions of the following standards:
 - a. American National Standards Institute,
ANSI/AAMA 302.9, "Specifications for Aluminum Windows".
ANSI/NWMA I.S2-79 "Wood Windows".
3. Double glaze all exterior window areas.
4. Check, and adjust moving parts of operable windows and storefront systems in order to result in smooth functioning of slide, rotating handles, locks, and similar mechanisms.
5. Use frames designed to withstand wind loads according to the provisions of Chapter 54 of the "State of Oregon Structural Specialty Code."
6. Use integrated door hardware capable of withstanding extended heavy use.
7. Equip the window system or building with the appropriate supports and tie-offs to accommodate window washing according to Oregon Occupational Safety and Health standards.

----- Glazing -----

1. Work specified in this Section includes glazing materials (both glass and plastic) for use in doors, windows, transoms, side-lights, entrances, and storefront systems.
2. Meet or exceed applicable portions of the following standards:
 - a. Flat Glass Marketing Association:
FGMA "Glazing Manual".
FGMA "Glazing Sealing Systems Manual".
 - b. American Society for Testing and Materials:
ASTM C 797, "Recommended Practices and Terminology for the Use of Oil and Resin-Based Putty and Glazing Compounds".
 - c. Federal Specifications:
FS DD-G-451, "Glazing".
 - d. Sealed Insulating Glass Manufacturer's Association: SIGMA "Glazing Recommendations for Sealed Insulating Glass Units".
3. All glazing meet or exceed requirements of Chapter 54 of the "State of Oregon Structural Specialty Code."

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Chapter 5 - Interior Finishes

----- Woodwork and Trim -----

1. Work of this Section includes fabricated casework, veneer paneling, plastic laminates, and wood trim exposed to view.
2. Fabricate casework in accordance with the latest edition of the American Woodwork Institute "Quality Standards".
3. When laminated plastic is used on horizontal work surfaces, install standard grade material which has been manufactured by a recognized company.
4. Install woodwork plumb, level, and scribed accurately to walls. Firmly secure to partitions or structural supports, resulting in stable working platforms.
5. Cover window sills with wood trim matching the type and color of the interior doors. Ceramic tile may be substituted for the wood trim, but the color must be coordinated with the surrounding interior colors and approved by the Lessee.

----- Gypsum Board -----

1. Work of this Section includes gypsum board used in partition and ceiling assemblies.
2. Use gypsum board products and accessory materials which meet the requirements of the following standards:
 - A. American Society for Testing and Materials:
 - C 36, "Specification for Gypsum Wallboard".
 - C 475, "Specification for Joint Treatment Materials for Gypsum Wallboard Construction".
 - C 514, "Specification for Nails for the Application of Gypsum Wallboard".
 - C 557, "Specification for Adhesives for fastening Gypsum Wallboard to Wood Framing".
 - C 630, "Specification for Water-Resistant Gypsum Backing Board".
 - C 646, "Specification for Steel Drill Screws for the Application of Gypsum Board To Light-gauge Steel Studs".
 - C 840, "Specification for Application and Finishing of Gypsum Board."
 - C 893, "Specification for Type G Steel Screws for the Application of Gypsum Board to Gypsum Board".
 - C 894, "Specification for Type W Screws for the Application of Gypsum Board to Wood Framing".
3. Completed partitions using gypsum wall board or backing board shall be straight and true to a tolerance of 1/4 inch in ten feet horizontally, and a vertical tolerance of 1/8 inch for every ten feet. Inspect rough framing prior to installation of gypsum board in order to insure that this tolerance will be possible to maintain.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

----- Ceramic Tile -----

1. Work of this Section includes glazed and unglazed ceramic tile, ceramic mosaic tile, and quarry flooring tile.
2. Use bonding, setting, and grouting materials which meet or exceed applicable portions of the following standards:
 - a. American National Standards Institute:
 - A 108.1, "Glazed Wall Tile, Ceramic Mosaic Tile, Quarry Tile and Paver Tile Installed with Portland Cement Mortar".
 - A 108.4, "Ceramic Tile Installed with Water-Resistant Organic Adhesives".
 - A 108.5, "Ceramic Tile Installed with Dry-Set Portland Cement Mortar or Latex-Portland Cement Mortar".
 - A 108.6, "Ceramic Tile Installed with Chemical-Resistant, Water Cleanable Tile-Setting and Grouting Epoxy".
 - A 118.1, "Dry Set Portland Cement Mortar".
 - A 118.4, "Latex-Portland Cement Mortar".
 - A 136.1, "Organic Adhesives for Installation of Ceramic Tile".
 - A 137.1, "Ceramic Tile".
 - b. The Tile Council of America: "Handbook for Ceramic Tile Installation".
3. Use a method of installation which has been recommended by TCA, and identify the composition of the assembly using TCA "Handbook" designations.

----- Acoustical Ceilings -----

1. Work of this Section includes suspended ceiling systems, and acoustical tiles or panels installed directly to a permanent substrate.
2. Materials and workmanship shall conform to applicable portions of the following standards:
 - a. American Society for Testing and Materials:
 - C 635, "Standard Specification for Metal Suspension Systems for Acoustical Tile and Lay-in Panel Ceilings".
 - C 636, "Recommended Practice for Installation of Metal Ceiling Suspension Systems for Acoustical Tile and Lay-in Panel Ceilings".
 - D 1779, "Specification for Adhesive for Acoustical Materials".
 - b. Ceiling and Interior Systems Contractors Association:
 - CISCA "Code of Practices for Acoustical Ceiling System Installations".
3. Acoustical ceiling panels shall have a minimum noise reduction coefficient of 0.65, and a light reflectance value of at least 75 percent.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

----- Resilient Flooring -----

1. Work of this Section includes floor tile, resilient sheet goods, resilient base, stair skirting, stair treads and other related flooring accessories.
2. On this Project, use products which have been rated by their manufacturers for use in commercial or heavy duty applications and which requires low upkeep.
3. Protect completed work from damaging construction traffic by using protective walkways or other suitable barriers.
4. Trim all floor coverings with four inch rubber base in color to match.

----- Carpeting -----

1. Work of this Section includes carpeting, carpet installation materials and accessories.
2. Meet the following requirements for selected materials, methods of manufacture, and installation:

Broadloom Carpeting:

- a. Construction: Textured Loop Pile
- b. Yarn: 100% Dupont solution dyed DSDN, heathered
- c. Yarn weight: 28 oz. per sq. yd.
- d. Primary backing: Polypropylene
- e. Secondary Backing: Unitary with Action Bac.
- f. Width: 12 ft.
- g. Electrostatic propensity: Less than 3.5 KV
- h. Tuft bind: 20 pound minimum
- i. Flammability: Class I
- j. Lifetime microbial protection
- k. Soil / stain protection
- l. Ten year limited wear warranty.
- m. Lifetime warranty, protecting against edge ravel and delamination.
- n. Carpet manufacturer must warranty the carpet as able to withstand the use of chairs with roller casters without the use of chair pads.

Carpet Tiles & Companion Broadloom:

- a. Modular, 18 x 18 in., or Broadloom 6 ft. system Six, GlasBac or Cushion Bac from Interface or pre approved substitution.
- b. Yarn: 100% Zefron 2000 Nylon
- c. Yarn weight: 26 oz. per sq. yd.
- d. Electrostatic propensity: Less than 3.5 KV
- e. Tuft bind: 20 pound minimum
- f. Flammability : Class I
- g. Lifetime antimicrobial
- h. Soil / stain protection
- i. Ten year limited wear warranty
- j. Lifetime warranty, protecting against edge ravel and delamination
- k. Carpet manufacturer must warranty the carpet as able to withstand the use of chairs with roller casters without the use of chair pads.

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Chapter 5 - Interior Finishes

3. Adhesives

Provide non-toxic "Envirotec #2080 Healthguard Adhesive" by W.F. Taylor Company or approved equal. No formaldehyde drying agents permitted. Adhesive must be compatible with both carpet and the applied surface. Schedule completion of carpet installation at least 72 hours before tenant agency is scheduled to move furniture into space or per manufacturer's recommendations.

4. Preparation

Areas to receive carpet are to be clean, dry, and dust-free. All depressions, cracks and irregularities to be filled with non-shrink epoxy floor patch. All ridges and high spots to be ground smooth to a level floor. Proceeding with carpet installation constitutes installer's acceptance of the responsibility for correction of unacceptable work due to floor conditions. Preparation shall be in accordance with the carpet manufacturers recommendations.

5. Installation

Do not install products which are observed to be defective in any way. Cut carpet in longest lengths possible to avoid cross seams. All seams shall be trimmed and fitted in a good workmanship manner and made by the compression method, no piecing or plugging will be accepted. All seams thoroughly bonded at time of installation with seam adhesive to cut edges at the level of carpet backing. No seams to occur perpendicular to doorways or entries. Parallel seams occurring at doorways shall be centered under door. Roll carpe with 100-pound roller, remove all wrinkles and ensure proper bond. All exposed edges to receive tapered vinyl edge, meeting accessibility requirements. Carpet installation shall be in accordance with the carpet manufacturers recommendations.

6. Finish Condition

All carpet is to be vacuumed and free of debris just prior to tenant occupancy. Carpet is to be free of spots, dirt or adhesive, and be with out tears, frays or pulled tufts.

7. Public waiting areas for where heavy public / client traffic is expected carpet with vinyl backing with moisture barrier shall be used.

Painting

1. Work of this Section includes interior paints, stains, transparent finishes, or other interior coatings. Obtain approval from the Lessee for color selections.
2. Perform the work of this Section to meet or exceed the minimum requirements of the latest edition of the "Painting Specification Guide for the Pacific Northwest", published by the Oregon Council of the Painting and Decorating Contractors Association.
3. Have the painting work inspected as the last item on the "punch list", and make arrangements to touch-up painted surfaces that have been damaged during the course of the work, or which were unfinished due to the sequencing of various installations.

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Chapter 5 - Interior Finishes

4. Use the following chart to identify requirements for finishes:

<u>Description</u>	<u>Painting System</u>
Standard	One coat appropriate primer-sealer, low-odor. Two coat, 100 % acrylic, semi-gloss finish.
Restrooms	One coat appropriate primer-sealer. One coat of two component acrylic epoxy coating system.

Wall Covering

1. Work of this Section includes vinyl coated fabric used for wall covering, and associated installation materials and accessories. Obtain approval from Lessee for selection and color.
2. Use material from the same dye lot for each enclosed room or large open area where wall covering is installed.
3. Overlap and double cut seams on non-matching patterns; butt seams on matching patterns. Work the material well into inside and outside corners, and wrap around at least six inches.
4. Extend wall covering behind running trim and frames. Joints will be permitted at corners only when fabric color, texture, or pattern on the adjacent wall is different. Horizontal joints are not permitted.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Hardware

1. Work of this Section includes operating hardware for doors and windows, weather-stripping, thresholds, automatic operators, and requirements for keying.
2. Ensure that fire rated openings are fitted with hardware which meet the requirements for the degree of fire protection specified. The total opening assembly shall achieve the proper degree of protection.
3. Select and install commercial quality hardware, capable of withstanding extended heavy use. All hardware shall comply with applicable state and local codes, including current Oregon UBC and ANSI A117.1-1986 standards. All door handles shall be lever type handles. Hardware for labeled doors shall be U.L. approved and listed. Review keying requirements with Lessee's representative prior to hardware selection and production of keys. Locksets requiring keys shall be capable of being master keyed or grand master keyed. Acceptable manufacturers of keyed and non-keyed locks are: Schlage, "D Series"; Sargent, "8 Line" or "10 Line"; Arrow, "H Series" or Lessee approved equal. Substitutions must be submitted with the manufacturers' documentation describing general specification, available functions for knobs and levers, and operational characteristics. Manufacturer's service capability in the area of installation shall also be a considered factor in the selection of the hardware manufacturer.
4. Every door opening shall be fitted with stops, silencers, a lock or latch, and if an exterior door, with a threshold, overhead closer, and a full perimeter weather stripping. Install an overhead closer mechanism capable of being adjusted for tension and closing time on exterior doors and doors opening onto an exit corridor. Where sound proofing is required, doors shall be equipped with sweeps or equivalent devices to prevent sound transmission.
5. Equip every operable window with a keyless locking mechanism and complete weather-stripping.
6. Coordinate the surface finishes of various items of hardware with each other and with finishes selected for the remainder of the building.
7. Equip major entry doors with electro-hydraulic type automatic door operators or a special release mechanism in order to facilitate the access of physically handicapped people. If a release mechanism is used, it may be actuated with a push plate or other type of switch mounted near the entry, but must reduce the push-pull resistance of doors to eight pounds or less when activated.
8. Equip only the major building entries with keyed locks. Doors separating divisions, electric rooms, etc., shall also be equipped with lock sets. Coordinate keying with the Division's project manager.
9. Provide a minimum of six keys for each lock. They shall be identified with a door numbering system and individually identified by number in ascending order from 1 to 6.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

----- **Toilet Partitions and Screens** -----

1. Work of this Section includes restroom privacy toilet partitions, and urinal screens together with their associated hardware and accessories.
2. Securely fasten anchors of partitions to structure or walls having concealed blocking between supports.
3. Attach a coat hook and bumper on each door of water closet compartments.
4. Use partitions that have a baked-on enamel or plastic laminate surface. Partitions selected for client restrooms shall be vandal resistant.

----- **Flagpoles** -----

1. Work of this Section includes ground-set, slab anchored, or building mounted flagpoles. Tenant agency should be consulted as to the appropriate poles for the flags.
2. Select flagpoles which are constructed from non-corrosive metal alloys, with a uniform conical taper, and equip with standard ball, truck, cleat, and flagsnap fittings. Use halyard manufactured from synthetic materials with vandal-resistant features; flags will be provided by the tenant agency.
3. Coat embedded surfaces of pole with a heavy-bodied bituminous paint. Attach a metal lightning protection rod to the pole and ground.
4. Provide an appropriate pole and mounting for the building site and scale. Free-standing poles shall have minimum height of 20 feet.
5. Provide lighting to illuminate the flag during non-daylight hours.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Identifying Devices

1. Work of this Section includes interior and exterior signage of all kinds, including directories, directional signage for pedestrian or vehicle traffic, and building room identification.
2. Provide signage throughout the facility. Signage shall be carefully and tastefully designed and approved by Lessee. Install directional signs both in the building and on the site in as simple and straight forward a fashion as possible. All signage shall meet ADAAG requirements.
3. Design surface-mounted sign for the building exterior, and place it in a conspicuous location near the entry of the facility. Provide a free standing building identification sign near the main vehicle entry access to the building. Submit details of signs and their locations and obtain the Division's approval before proceeding with fabrication.
4. Mark exterior grounds clearly to show the location of the main building entry, location of parking areas, parking places for physically handicapped person, loading zones, and other special features. Design traffic control signs to promote a logical and simple flow which is consistent with existing vehicular and foot traffic.
5. Select durable, long lasting sign materials which are manufactured from metal, plastic, or preservative treated wood and are appropriate for the finish of the building's location.
6. Identify each major section of the building by name using a durable signage system other than directly painted characters. Letters shall be raised a minimum of 1/32", between 5/8" and 2" high, and meet ADAAG requirements for tactile letter proportions. Letters shall contrast with the background on which they are mounted. Obtain approval from the Division of the signage system and of the room designations before proceeding with installation.
7. Install signs identifying parking stalls for use by physically handicapped persons so that they will not be obscured by a parked vehicle.

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Chapter 6 - Specialties, Equipment and Furnishings

Partitions

1. Work of this Section includes both fixed partitions, and other enclosures or dividers which may be relocated, opened, or closed with a minimum of effort (demountable walls).
2. Provide permanent fixed walls extending to the underside of the structure above to enclose all restrooms, mechanical rooms, permanent corridors, lobbies, custodial and utility closets. Construct walls to achieve a sound transmission class (STC) rating of not less than 52.
3. Construct conference rooms and the wall between private offices to achieve a sound transmission class (STC) rating of not less than 42. All other walls shall achieve a rating of not less than 35.
4. Provide folding acoustical partitions with full perimeter seals and a positive acting latch. The finish surface shall be a vinyl-coated fabric or other material approved by the Division and capable of achieving a minimum sound transmission class (SIC) rating of not less than 35. Provide 3-1/2" of unfaced fiberglass insulation 3 feet on each side of the mounting track above the ceiling.
5. Construct acoustically rated walls to extend to the underside of the building's structure or have acoustical batt insulation installed over the top of the wall, extending 3'-0" from each side of the wall.

Toilet Accessories

1. Work of this section includes accessories and dispensers for toilet rooms and shall meet ADAAG requirements.
2. Where only one mirror or towel dispenser is provided in a room, locate it within 40 inches from the floor.
3. Provide structural backing in the wall and mount all accessories securely to the wall.
4. Install the following accessories that are required in each rest room:

<u>Description</u>	<u>Requirements</u>
Soap Dispenser	Liquid soap dispenser, wall mounted over each lavatory.
Towel Dispenser	Recessed or wall mounted stainless steel towel dispenser and waste paper receptacle.

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Chapter 6 - Specialties, Equipment and Furnishings

Toilet Paper Dispenser	Dual roll type dispenser; one for each water closet.
Sanitary Napkin Disposal	One in each Women's water closet stall of a wall-mounted or semi-recessed design.
Sanitary Napkin Dispenser	Coin operated model with shelf and adjustable cost feature.
Mirror	Plate glass type with aluminum perimeter frame; 24 by 36 inches minimum.
Toilet Seat Cover Dispenser	One in each compartment.
Grab Bars	Stainless steel bars 1-1/2" diameter, mounted 1-1/2" from face of wall to face of bar mounted to conform with ADAAG requirements.
Coat Hooks	Mounted on each toilet partition door
Shelf	Provide a minimum of one 9" x 24" shelf.
Mop & Broom Holder	Provide one in each janitor room.
Diaper Changing Table	Provide one, wall mounted in each restroom where CSD, AFS or Employment Division are tenants

----- **Food Service Equipment** -----

1. Work of this Section includes installed and free-standing lunchroom equipment.
2. Lunchroom and coffee bar sinks shall be equipped with an instant hot water faucet mounted by or on the sink. Lunchrooms shall be equipped with a refrigerator with a minimum of 14 cubic feet of refrigerator space, and freezing space to accommodate an ice maker; a microwave oven; and space for vending machines with necessary utility hookups (Electrical outlets are standard. Where water hookups are needed, Tenant agency shall specify the requirement).

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Chapter 6 - Specialties, Equipment and Furnishings

Window Treatment

1. Work of this Section includes all types of interior window coverings, controls and hardware, such as shades, shutters, and horizontal louver blinds.
2. Install commercial quality narrow slat horizontal louver blinds where indicated which meet the following requirements:
 - a. Nominal one inch wide aluminum slats.
 - b. One color selected from a range of standard colors.
 - c. Width and height dimensional tolerances of 1/4 inch, maximum, at each edge.
 - d. Braided polyester yarn ladder rungs which support a minimum of 15 slats per foot.
 - e. Control operation: clear plastic twist type wand on the left side, cord lock on right side.
 - f. Equip blinds mounted on inclined windows with stainless steel support wires passing through slats (to prevent sagging of blind), and with retainers for control lines.
3. Lay out horizontal blinds to completely fill window openings, with adequate clearance between sash and blinds to permit unencumbered operation of hardware. If mounted over continuous window walls, space so that ends occur only over mullions or other defined vertical separations.

Furniture and Accessories

1. Work of this Section includes moveable items of furniture, including waste receptacles, and related components.
2. Waiting rooms or reception areas shall be equipped with an adequate number of waste receptacles.
3. Lunchrooms/Employee Lounges shall be equipped with 36-inch square tables, 29 inches high having a single pedestal base that meets ADAAG requirements and a plastic laminate top. Chairs shall be a standard stacking chair with a chrome finished tubular steel frame with an upholstered seat and back. Sufficient tables and chairs shall be provided to accommodate a minimum of one half of the expected staff occupancy. Staff occupancy will be defined in a prospectus exhibit.

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Chapter 7 - Systems

Elevators

1. Work of this Section includes passenger and freight elevators, machinery, controls, and car finishes.
2. Conform the work of this Section to applicable portions of the following standards:
 - a. American National Standards Institute:
 - A 17.1, "Elevators, Dumbwaiters, Escalators, and Moving Walks".
 - A 17.2, "Practice for the Inspection of Elevators, Dumbwaiters, Escalators, and Moving Walks".
 - A117.1, "Specifications for Making Buildings and Facilities Accessible to, and Usable by, Physically Handicapped People".
 - b. ADAAG: Buildings more than one story require an elevator finished in accordance with ADAAG.
3. Submit to the Division, at the conclusion of elevator installation and testing, appropriate operating certificates as issued by the Elevator Safety Section, Building Codes Division, State Department of Commerce.
4. Use elevator finishes, including paint, carpet, and plastic laminate panels color coordinated with finishes selected for the remainder of facility.
5. Design passenger elevators to operate at a speed of not less than 125 feet per minute, with a minimum load rating of 2500 pounds and with a minimum car and door size to meet ADAAG requirements.

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Chapter 7 - Systems

Plumbing Systems, Fixtures, and Trim

1. Work of this Section includes both domestic and service plumbing systems used throughout the Project.
2. Equip water closets, lavatories, and sinks with manual control valves on supply lines, and trim piping accesses to these fixtures with matching escutcheons. Supply each lavatory and sink with both hot and cold water serving a mixer type faucet.
3. Insulate hot water supply lines and other hot lines with molded fiberglass or other approved insulation.
4. List and types of required fixtures:
 - a. Hose bib: frost-proof, minimum of one every 75 feet.
 - b. Water fountain: china or stainless steel with a minimum of one meeting handicapped requirements.
 - c. Lavatories: vitreous china round bowl design with self rimming edge, and single lever fittings supplying a mixer type faucet.
 - d. Laundry type service sink: securely mounted with a high neck faucet.
 - e. Convenience counter sink: single compartment, 20 gauge stainless steel with a number 4 finish, select one having a self rimming design, with minimum dimensions of 25" x 22". All such sinks, shall be equipped with a commercial, instant hot water faucet. All such sinks shall be equipped with undercounter high quality water filters, to achieve pleasant tasting water.
 - f. Commercial water closet to meet ADA requirements, equipped with a flush valve, white color. Installation shall be in accordance with the manufacturer's recommendations.
 - g. Drinking fountains shall be commercial type meeting ADA requirements. Installation shall be in accordance with the manufacturer's recommendations, with solid backing in the wall. Drinking fountains shall be equipped with water filters, to achieve pleasant tasting water.
 - h. Break room sinks shall be equipped with the highest quality residential garbage disposal.

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Chapter 7 - Systems

Fire Protection

1. Work of this Section includes standpipes, fire hose equipment and fittings, sprinkler systems, and fire detection equipment.
2. Comply with applicable portions of the following standards:
 - a. National Fire Protection Association:
 - NFPA 12, "Carbon Dioxide Extinguishing Systems";
 - NFPA 12A, "Halogenated Extinguishing Agent Systems - Halon 1301";
 - NFPA 12B, "Halogenated Fire Extinguishing Agent Systems - Halon 1211";
 - NFPA 13, "Installation of Sprinkler Systems";
 - NFPA 13A, "Care & Maintenance of Sprinkler Systems";
 - NFPA 14, "Standpipe and Hose Systems";
 - NFPA 15, "Water Spray Fixed Systems";
 - NFPA 16, "Foam-Water Sprinkler Spray Systems";
 - NFPA 17, "Dry Chemical Extinguishing Systems".
3. Provide an automatic fire sprinkler system to protect only those areas which are required to have this degree of protection by code. Size the sprinkler system for the occupancy hazard and classification most closely corresponding to the building's actual use. Use wet pipe systems in conditioned spaces, and dry or anti-freeze systems in areas subject to freezing temperatures. Insure that plans and specifications meet the approval of the local fire marshal and insurance agencies having jurisdiction; install in conformance with NFPA 13. Provide extra heads and a sprinkler head wrench using the guidelines found in NFPA 13.
4. Install sufficient portable hand-held fire extinguishers of the multi-purpose dry chemical type suitable for types A, B, and C fires to meet local code requirements.
5. Install adequate Rate of Rise (set temperature activators of water sprinkler heads) and Smoke detectors in rooms specially designed for computer equipment. Detector indicator lights shall be installed outside the room above the entry door.
6. When an alarm system is required by code, comply with the current ANSI standards.

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Chapter 7 - Systems

Heating, Ventilating and Air-Conditioning (HVAC)

1. Work in this Section includes design and installation of the heating, ventilating, and air conditioning system.
2. System Design - The HVAC system shall be design by a registered, professional, mechanical, engineer specialising in HVAC systems, and the HVAC drawings shall bear his or her State of Oregon stamp. The HVAC system shall be designed to meet all applicable local, state and federal regulations and the current American National Standards Institute/American Society of Heating, Refrigerating and Air-Conditioning Engineers, (ANSI/ASHRAE) standard Ventilation for Acceptable Indoor Air Quality.
3. Zones - System shall have the number of zones equal to an allowance of one zone for each 800 square feet of space in the building . The total number of zones so allowed in the building shall include those zones which may be designated by the Lessee/DAS. Each zone shall have it's own thermostat and have the ability to control the heating and cooling in that zone and the ability to maintain the specified temperature within each zone. Lessor shall provide a unit price for each zone so that Lesee/DAS can determine the consequences of adding or deleting a zone to or from the allowed number of zones.
4. Systems - The system shall be a Variable Air Volume (VAV), pressure independent system, with a variable frequency drive(s). Each zone shall be served by a VAV box and a thermostat. The system shall provide reheat coils for the zones on the building perimeter.
5. Controls - The systems controls shall be Direct Digital Controls (DDC). Provide a in building operator's terminal. This terminal shall allow time and holiday scheduling, EMS functions, point trend logging . It shall allow the operator to view and change set-points and schedules from custom made displays. Training on the use of the terminal shall be provided for selected employees. The building operator's terminal shall be placed in the Central voice & Data Control Equipment Room. Zone sensors shall have a manual override button to allow employees to turn on the HVAC for their zone for after hours work.
6. Setback - The controls shall permit a set back of temperature during the non-occupied hours. The controls shall be programmed to bring the space temperature back to 70 - 72 degrees prior to occupancy.
7. People Load - The HVAC system for Conference Rooms and Training rooms shall be designed to cool the room to the set point when the room has its maximum people load.
8. Heating and Cooling Loads - The HVAC system shall be so designed and sized as to satisfy all of the factors contributing to the respective cooling and heating loads of the building and its individual spaces.
9. Supply and Return - An adequate number of air supply and return registers shall be provided to keep a uniform temperature within each space. All enclosed rooms, other than janitor's closets and restrooms shall have both a supply and return connected directly to the HVAC equipment. The building perimeter supply air shall utilize linear slot diffusers.
10. Air to be Exhausted - Smoking rooms, lunchrooms, restrooms, high use copier rooms or other rooms generating smoke or odors shall be exhausted directly to the exterior without recirculationg. The system shall be designed to prevent re-introduction of odors and contaminants from these locations.

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Chapter 7 - Systems

11. Heat Generating Equipment - The system shall be designed to accommodate heat generating or computer equipment identified for use in the building by the Division.
12. Central Voice & Data Control Equipment Rooms - Rooms designated to house central voice and data control equipment shall have independent, split-system, air conditioning capable of operating 24 hour a day 7 days a week, and maintaining 68 degrees in the room.
13. Noise - Duct materials and design duct layouts shall be selected to minimize sound transfer into private offices, conference rooms, or other spaces requiring acoustic privacy. Equipment, duct work, grilles and registers shall be designed using ASHRE handbook series to minimize noise. Language from a normal to loud voice shall not be understood from one room to another.
14. Temperatures - At geographical design temperature, the system shall be capable of maintaining the following temperatures during occupied hours: (1) Heating: 70 degrees F; (2) Cooling: 72 degrees F.
15. Outside Air - Outside air dampers shall be controlled by CO2 sensors with an accuracy of 90% or greater in representative areas to maintain the CO2 level in the building at less than 800 parts per million. The CO2 sensors shall remain calibrated for a minimum of five years as manufactured by Engelhard or an approved equal.

Outdoor air intakes shall be located such that there is adequate separation distance between the intake opening and sources of contaminants to prevent the introduction of contaminants. Potential sources of contamination may include but are not limited to cooling towers, garage entries, loading areas, drive-in queue, street, landscaped grade.

16. Air filtration - Provide particulate filters or air cleaners having a minimum efficiency of 60% when tested in accordance with ASHRAE Standard 52.2 for 3 micron particles.
17. Sound levels - The sound level from operation of the systems in any of the areas served shall not exceed 40 dbs; this shall include sound level from all exhaust fans.
18. Air Quality Assurance Measures - During installation of materials (in either the Lessee's space or areas served by the Lessee's HVAC system), with the potential to emit VOC's (including carpets, adhesives, caulks, sealants, paints, insulations) the HVAC system shall be operated with no recirculation. At the same time, exhaust fans shall be run continuously.

In newly constructed or renovated spaces, the HVAC system shall be operated using 100% outside air for 24 hours a day for at least 7 days following material installation (including carpets, adhesive, caulks, sealants, paints, insulation, etc.) and prior to occupancy.

Leased Facility Construction Standards

Leased Facility Construction Standards

Chapter 7 - Systems

----- HVAC Project Close-out -----

Lessor/Owner shall require its HVAC/Mechanical contractor to provide: (1) a detailed check list of final start-up testing and inspection of the HVAC system, and (2) the services of a registered professional air balancer to perform the air test and balance of the HVAC system. Lessor shall specify the minimum qualifications for such air balancing firm and require that such firm shall be a member of American Air Balancing Council and has at least two years of experience in performing the work of this type; that the air balancing firm shall provide the necessary instruments, tools and equipment for work specified; and that the instruments to be used in performing the above tests shall be calibrated within the preceding six months.

The test and balance report shall be submitted to the contractor for inclusion in the HVAC Operation and Maintenance Manuals, which shall be maintained by Lessor. The air test and balance reports shall include the following:

1. Test initial velocity and volume at each air supply, return and exhaust terminal, and adjust volumes within 10% of specified air quantity. Adjust air flow pattern to minimize drafts. Mark the final balancing damper position after air flow adjustments have been made.
2. Test the air flow quantities for the following conditions:
 - a. Maximum outside air;
 - b. Minimum outside air.
3. Test static pressure at the supply fan inlets and outlets.
4. Test, adjust and mark the final balancing damper positions.
5. Test thermostat settings and room temperature readings after air flow adjustments have been completed.
6. Identify air handling equipment to be tested and list size, type, manufacturer, air terminals, motor name plate data, and actual running amperes for each fan motor.
7. Test and adjust air supply and exhaust fans to deliver not less than 90% nor more than 110% of total specified volume.

Leased Facility Construction Standards

Chapter 7 - Systems

Basic Materials and Methods for Electrical Systems

1. Work of this Section includes general requirements for electrical equipment and workmanship throughout the entire facility, including lighting, power, signal, communications, and similar systems.
2. Perform electrical work in conformance with generally accepted commercial trade standards, including applicable portions of the following standards:
 - a. National Fire Protection Association, NFPA 70, "National Electrical Code".
 - b. American National Standards Institute C 2, "National Electrical Safety Code".
 - c. Regulations of serving utilities.
3. Provide adequate space for electrical power, signal, and communications equipment within enclosed locked rooms.
4. Test each completed electrical system to verify proper operating conditions, and to insure that each fixture, device, and item of equipment is operating as it was intended. Electrical work must be free of shorts, faults and unintentional grounds.
5. Keep switchgear, transformers, panels, light fixtures and other electrical equipment covered or closed to exclude moisture, dust, dirt, plaster, paint or other contamination. Plug or cap conduit and raceways to prevent entrance of dirt, moisture or foreign material.
6. Lay out circuits in such a way as to eliminate or minimize openings in area separation of walls, fire blocking, and other fire rated construction. Where they are unavoidable, use products inserted into the opening which have been designed to prevent the spread of smoke, flame, and heat.
7. Do not place outlet boxes at opposite sides of partitions back-to-back, and do not use straight-through boxes. Mount transformers, starters, and other noise producing devices in such a way that noise will not be easily transmitted to occupied spaces.
8. Install relays, panels, cabinets and equipment level, plumb, and parallel with structural building lines.
9. Circuit breakers shall be clearly and permanently labeled within the panel. Labels shall indicate the precise area of the building or equipment served.

Leased Facility Construction Standards

Chapter 7 - Systems

10. Unless a dimension locating a particular item is shown on the construction drawings, use the following table. Measuring from the center of the device to finished floor, except when noted otherwise.

<u>Description</u>	<u>Inches</u>
Light switches	48
Convenience receptacles	15
Receptacle over counter	8
Top of panelboards	72
Fire alarm sirens	80 high or 6 from ceiling
Fire call stations	40
Telephone outlets	15
TV outlets	15
Bottom of Clock or Speakers	+84
Intercom call button	+48

11. Provide electrical service for open landscape office areas by power pole drops from the suspended acoustical ceiling, or by other means (such as electrified landscape partitions or undercarpet flat wire systems) approved by the Division.

Leased Facility Construction Standards

Chapter 7 - Systems

----- **Lighting** -----

1. Work of this Section includes interior and exterior light fixtures, lamps, switching, and other related accessories.
2. Fixtures used for office space, break rooms, reception and waiting rooms, shall be 2 x 4 lay-in fixtures, equipped with T-8, 5000 degree Kelvin 80+CR1 lamps, electronic ballasts with less than 20% total harmonic distortion with 5-year warranty, and 3 inch deep, 32 cell, full specular louvers, 90% reflective reflectors, on 8 ft. x 8 ft. spacing. Provide enough flex conduit to feed each fixture so that they can be moved one grid in any direction.
3. Provide the following minimum levels of illumination throughout the facility as determined by actual measurements taken at a level between 30 and 42 inches from the finished floor:
 - a. General office facilities: 50 foot candles at desk height.
 - b. Corridors, rest rooms, and other support service areas outside the office area: 10 to 20 foot-candles.
 - c. Special lighting need areas shall be handled either with task lighting or on a case by case basis.
 - d. Outdoor parking facilities: a minimum of 2 foot-candles measured at 5 feet above the pavement. Control fixtures using photo-cells that shut off the fixtures when there is more than 2 foot-candles of natural light.
4. Dimming Fixtures - Conference rooms where audio/visual equipment is to be used shall be equipped with fixtures with dimming ballasts and wall dimming switches.
5. Lighting systems shall be designed in accordance with the State of Oregon "Lighting Standards for Public Buildings". Exit lights shall utilize T-1 lamps producing an average 94 foot lamberts.
6. Fluorescent lamps shall comply with the EPA hazardous waste requirements and pass the Toxic Characteristic Leaching Procedure (TCLP) hazardous waste test, which does not require the lamp to be recycled.
7. Lessor shall replace all fluorescent lamps at the end of their average rated life as stated by the manufacturer, but not more than 5 years.

----- **Emergency Lighting** -----

1. Work of this Section includes battery operated exit lighting for use during periods of temporary power failure.
2. Select equipment which incorporates maintenance free batteries which have been warranted for at least 10 consecutive years of service, and which have integral self-testing mechanisms.
3. Design battery powered emergency lighting in such a way as to illuminate the main entrance area of the facility, exit corridors, stairwells, and exits.

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

Specifications for pre-wiring, installation and termination of voice and data cable:

1. CABLE REQUIREMENTS: For each jack, new station cable shall be provided with the following specifications:
 - a. Two each four pair, unshielded twisted pair, #24 AWG cable shall be used. When required by Uniform Building Code, plenum-rated cable must be used. Each jack location shall contain one white or beige cable and one blue cable. The white or beige cable shall be designated the voice cable and the blue cable shall be designated the data cable.
 - b. The cable shall be Category Five, Belden (#1585A) or AMP (#57248 or 57249), or equal submitted on the standard Construction Specifications Institute Substitution Request form and approved during the bidding/negotiation process. The cable must meet all EIA/TIA/ANSI 568A specifications for Category Five cable.

COLOR CODE:

<u>PR#</u>	<u>Color Combination</u>
1	White/Blue & Blue/White
2	White/Orange & Orange/White
3	White/Green & Green/White
4	White/Brown & Brown/White

c. General

The cable shall be provided on each floor level from the station jack to the nearest telecommunications terminal room in a single run with no splices. Both ends of each cable shall be labeled with a unique identifier such that it may be traced, end to end, with ease.

At each station location, an additional five (5) foot length of both the data and voice cable shall be provided, coiled, and acceptably secured so as not to interfere with work of other trades working in the immediate vicinity of the station location. Installation of the voice/data receptacle fixture and station cabling termination to this receptacle will be as defined in the following paragraphs.

All Horizontal cable shall be run perpendicular or parallel to the building grid lines indicated on the approved drawings. All cable shall maximize usage of the cable management system to minimize cable coming into contact with the suspended ceiling, mechanical, and/or electrical or electrical light system components.

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

d. TERMINAL ROOM

1. Voice: An additional twelve (12) foot length of voice station cable from each station jack location shall be provided and coiled adjacent to the punch down blocks or board within the terminal room. Termination of the voice station cable at the punch down blocks will be by the telecommunications vendor(s).
2. Data: Data cable shall be terminated at the designated patch panel by the cabling vendor. An additional four (4) feet of cable shall be allowed for future movement.

2. STATION EQUIPMENT: Station equipment installation will comply with the following specifications:

- a. Workstation Outlets: Workstation outlets will be equipped with single type gang boxes manufactured by AMP Corporation, or double gang boxes where specified. The following parts are to be used:

Parts (AMP):

- 558908-1 Data Connector (RJ45)
- 406091-1 Unshielded Com. Outlet
- 555611-1 telephone Connector(RJ11)
- 558510-1 Single Gang Face Plate Kit If required: Single Gang Box,
- 558251-1 (Kit) Surface Mount
- 558512-1 Double Gang Box Face Plate with Label Window with Icons

b. Terminal Room

1. Data: The data rack and sufficient modular patch panels for the number of cables will be installed in the terminal room to terminate cable from the employee work station. When using a free-standing rack, position it in the room so there is a minimum of 3' on three sides of the rack and 12" on the remaining side. Each data cable must be terminated on the patch panel edge connector using the same color coding standard as the employee workstation.

Rack for Patch Panels

- 7' X 19" EIA Free-standing Rack, Chatsworth #46353-503 or AMP #559260-3
- 35" X 19" X 18" EIA Wall-mounted Universal Swing Gate Rack, Chatsworth (for limited-space applications only)

AMP Cable Management System:

- 1.75" Horizontal Wire Management #559366-1
- Vertical Management Assembly 24.5" high (6 required per rack), #559371-1
- Top Cable Through, black aluminum #559370-1
- Bottom/Middle Cable Through, black aluminum #559369-1

AMP modular patch panel:

<u>Number of Ports</u>	<u>Part Number</u>	<u>Description</u>
16	406363-1	Panel and Kit
32	406365-1	Panel and Kit
64	406367-1	Panel and Kit

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

3. CONNECTION SPECIFICATIONS

a. General

The gang box edge connectors for both voice and data cable must comply with the below listed coding. The voice edge connector will be located in the upper or left position, and the data edge connector will be located in the lower or right position.

At the workstation location, the voice cable will be terminated with an RJ 11 modular connector; the data cable will be terminated with an RJ 45 modular connector. AMP modular connector for voice: 555611-1; and data: 558908-1. Both connectors are to be supplied and installed (terminated) by the cabling vendor.

At the terminal room location, the data cable will be terminated with an RJ 45 snap-in connector (AMP #558908-1). The voice cable and data cable edge connectors will be terminated, supplied, and installed by the selected wiring vendor.

When a building has more than one terminal room location, a minimum of 8 wires as listed above with appropriate connectors will originate in the primary terminal room and terminate in the secondary terminal room at the patch panel, with additional 5' at each end. The primary terminal room is that where voice and data service lines enter the building (POP).

When the data line enters the building at a POP other than the terminal room, the cabling vendor will provide appropriate connection from POP to the terminal room.

Upon completion of cabling work, test and certify all runs as meeting all requirements for Category 5 cabling, based on TSB 67 standards, Level 2 Complaint Testers. Such certification shall attest to the fact that all runs are capable of supporting transmission speeds of at least 100 megahertz.

The cabling vendor is required to provide two copies of such certification and supporting test data indicating performance meets Category 5 standards; one copy to the Project Manager for the appropriate state agency and one copy to the Lessee (state agency).

b. Coding Specifications

<u>Position</u>	<u>Color Code</u>	<u>Position</u>	<u>Color Code</u>
1	White/Blue	5	White/Green
2	Blue/White	6	Green/White
3	White/Orange	7	White/Brown
4	Orange/White	8	Brown/White

NOTE: Technical assistance may be available/obtained through the manufacturer and/or distributor.

daslsstd



Oregon

Theodore R. Kulongoski, Governor

Department of Administrative Services

Facilities Division
1225 Ferry Street SE U100
Salem, OR 97301-4281
(503) 378-2865
FAX (503) 373-7210

May 5, 2009

City of McMinnville
Attn: Rich Spofford
231 NE 5th Street
McMinnville OR 97128

RECEIVED
MAY 06 2009
COMMUNITY DEVELOPMENT
DEPARTMENT

SUBJECT: Intergovernmental Lease with Department of State Police, for space located at 3975 SE Cirrus Avenue, McMinnville Oregon.

Enclosed is the fully executed lease document, referenced above. We have retained an original document, for our files.

Sincerely,

Diana Yashar
Leasing & Property Agent
Oregon Department of Administrative Services
1225 Ferry Street SE U100
Salem, OR 97301-4281
503-373-7131
Fax 503-373-7210

DY/bs

Enclosures





**STATE OF OREGON
INTERGOVERNMENTAL OFFICE SPACE LEASE AGREEMENT**

THIS LEASE AGREEMENT, dated March 19, 2009, is by and between the CITY OF MCMINNVILLE (Lessor), and the STATE OF OREGON, acting through its Department of State Police (Lessee).

The parties acknowledge and agree that time is of the essence with respect to all the terms, conditions and provisions of this Lease; therefore, the City of McMinnville hereby leases to the State and the State leases from the City of McMinnville the Premises described below under the following terms and conditions:

1. Premises. Approximately **8,004.38 rentable square feet** consisting of 6,604.8 rentable square feet of office space and 1,399.58 square feet of common space located at 3975 SE Cirrus Avenue, McMinnville, Yamhill County, Oregon 97128. The Premises is further identified in Exhibit A and includes all of the space other than what is labeled as "FAA Room" in that Exhibit.

2. Term. The original term of this Lease shall commence **May 1, 2009**, or as of the date the Premises are delivered to and accepted by Lessee, whichever is later, and shall continue through **April 30, 2019**.

3. Rent. Lessee shall pay Base Rent in arrears by the 10th day of each month for the preceding month or partial month. The Base Rent for any partial month shall be prorated on a per diem basis. The monthly Base Rent shall be per the following Rent Schedule:

<u>LEASE PERIOD</u>	<u>BASE RENT</u>
05/01/09 – 04/30/10	\$7,203.94
05/01/10 – 04/30/11	\$7,420.06
05/01/11 – 04/30/12	\$7,642.66
05/01/12 – 04/30/13	\$7,871.94
05/01/13 – 04/30/14	\$8,108.10
05/01/14 – 04/30/15	\$8,351.34
05/01/15 – 04/30/16	\$8,601.88
05/01/16 – 04/30/17	\$8,859.93
05/01/17 – 04/30/18	\$9,125.74
05/01/18 – 04/30/19	\$9,399.50

4. Option to Extend. If Lessee is not in default, Lessee shall have the option to extend this Lease for one (1) additional extension term of five (5) years. The extension term shall commence on the day following the expiration of the immediately preceding term. Notice exercising the extension option shall be delivered to Lessor in writing not less than ninety (90) days prior to the expiration of the preceding term. If such notice is given, all terms and conditions of this Lease, except as expressly amended, shall apply during the extension term. Accordingly, the monthly Base Rent for the extension term shall be per the following Rent Schedule:

<u>LEASE PERIOD</u>	<u>BASE RENT</u>
05/01/19 – 04/30/20	\$9,681.49
05/01/20 – 04/30/21	\$9,971.92
05/01/21 – 04/30/22	\$10,271.08
05/01/22 – 04/30/23	\$10,579.22
05/01/23 – 04/30/24	\$10,896.60

5. Use of Premises. Lessee may use the Premises for business offices, storage, and other lawful purposes including but not limited to functions related to the conduct of its business as a state agency.

6. **Parking.** Lessee, and its employees, shall have the exclusive right to park in the secured and fenced parking lot shown on the attached Exhibit B- Parking Plan. In addition, Lessee's clientele shall have the same right as other Tenants of Lessor to park in the facility's common parking areas as shown on the attached Exhibit B- Parking Plan. Parking for the disabled will always be provided in compliance with the Oregon Revised Statutes (ORS) 447.233.

7. **Lessor's Covenants.**

(a) Lessor covenants that Lessor has the right to make this Lease and to lease the Premises to Lessee; that possession of the Premises will be delivered to Lessee free of other tenants and of conflicting claims; that the use of the Premises by Lessee for the specific uses set forth in paragraph above titled "Use of Premises" is not in violation of any federal, state or local statute, regulation or ordinance, including the acknowledged comprehensive land use plans and regulations of the city or county in which Premises are located; and that on paying the rent and performing its covenants of this Lease, Lessee may enjoy the rights granted by this Lease free from rightful interference by any third party.

(b) Lessor covenants that the Premises, including any common areas in the building to be used by Lessee, comply with all applicable regulatory and building codes requirements for occupancy by Lessee, and meet the requirements of the Americans with Disabilities Act (ADA) for accessibility in accordance with the standards provided in the ADA Accessibility Guidelines for Buildings and Facilities (ADAAG), to the extent, at the minimum, the Premises including the common areas have: (1) an accessible entrance and an accessible route there from to those areas in which the principal activities of Lessee as a state agency will be conducted; (2) accessible restroom facilities; and (3) accessible parking for the disabled in compliance with Oregon Revised Statutes (ORS) 447.233, if parking is provided under this Lease.

(c) Lessor covenants that Premises are free of asbestos and asbestos containing materials (ACM) based on the fact that the original construction and all improvement works on the Premises were completed **after January 1, 1978**, when the building industry generally refrained from using materials containing ACM, or the Premises have been inspected by a competent inspector qualified to perform such inspection under applicable law and regulations and found to be free of any ACM.

(d) Notwithstanding Lessor's covenant herein, in the event that any asbestos related health hazard is detected in the Premises as determined under applicable law and regulations, Lessee shall have the right to cancel this Lease with ten (10) days written notice to Lessor or, at Lessee's sole option, demand that Lessor take prompt corrective action to protect Lessee and its employees occupying the Premises. Lessor shall perform any necessary asbestos abatement work at Lessor's sole cost and expense and in strict compliance with applicable law and regulations governing such work. Lessor shall compensate Lessee for any and all costs related to disruptions caused by such asbestos abatement work, including but not limited to moving costs, temporary rent for relocation and consequential damages. Such compensation may be in the form of rent abatement if Lessee reoccupies the Premises. Lessor shall indemnify and hold Lessee harmless in the event of a discovery of asbestos related health hazards in accordance with the Insurance paragraph contained herein.

8. **Work to be Performed by Lessor.**

(a) Prior to the commencement date of the lease term Lessor shall, at Lessor's sole cost and expense, improve the Premises as described in the attached Exhibit C- Lessee's Work Requirements with all work to be done in accordance with the utmost professional standards and in the most highly professional manner. All construction shall comply with the State Building Code in effect at the commencement of said construction, including its Disabled Access provisions and the Department of Administrative Services Leased Facilities Construction Standards, attached as Exhibit D. Lessor shall obtain all required building and occupancy permits and final inspection by all applicable code enforcement agencies.

(b) Upon completion of the work, Lessor shall provide Lessee a statement, signed by Lessor, that the work has been completed in full compliance with all applicable codes and specific provisions required by said Exhibit D, and that the Premises are ready for occupancy. The Lessor's statement shall be supported with appropriate attachments including permits, inspection reports, warranties, and reports of consulting professionals, as applicable. Lessee will, within five (5) working days of receipt of Lessor's statement, inspect the work and determine its acceptability.

(c) If the Lessor is unable or unwilling to complete the work as described in attached Exhibit D within one hundred twenty (120) days of the commencement date of this Lease, the Lessee, at its option, without notice or demand, may declare this Lease void and vacate the Premises without further liability to Lessor.

(d) Any defects or omission of Lessor's work identified during the inspection or thereafter identified by Lessee shall be completed or corrected by Lessor at Lessor's expense within thirty (30) days of the inspection or Lessee notification to Lessor. If Lessor fails to correct or complete them within that period, Lessee may, after written notice to Lessor, have the necessary work accomplished, and deduct the cost plus any related costs from the rent.

9. Improvements and Alterations. Lessee may place fixtures, partitions, personal property, and the like in the Premises and may make nonstructural improvements and alterations to the Premises at its own expense. Lessee will retain ownership of all fixtures, partitions, personal property and the like placed in the Premises by Lessee. Any tenant improvement work which modifies or affects proper operation of the HVAC system shall require written approval of Lessor. Lessee may, but shall not be required to, remove such items at the end of the Lease term.

10. Maintenance and Repair of Premises.

(a) Lessor shall perform at Lessor's sole cost and expense all necessary maintenance and repairs of: (1) the structure, foundation, exterior walls, roof, doors and windows, elevators, emergency lighting, and Lessor-provided fire extinguishers, Lessor provided window coverings, sidewalks, and parking area which are located in or serve the Premises, maintaining the Premises and the common areas in a hazard free condition; (2) the heating, air conditioning, plumbing, electrical, and lighting systems in the Premises, replacing parts or the system as necessary, obtaining required permits and inspections from Codes enforcement authorities; (3) the Premises, improvements, grounds, and landscaping, keeping them in good repair and appearance, replacing dead, damaged or diseased plant materials when necessary; (4) interior walls, performing touch-up and repainting as necessary when it is due to normal wear or deterioration; and (5) carpets and other floor coverings. Carpets and other floor coverings shall be repaired and replaced as necessary by Lessor at Lessor's sole cost and expense when it is due to premature wear/deterioration or due to normal and expected wear and tear. Lessor understands and agrees that the carpets and other floor coverings provided or installed in the Premises at the commencement of this Lease shall be of the type and quality to last at least through the original term of the Lease; and that the areas identified by Lessee as the high traffic areas such as public/client waiting areas shall be provided with a heavy duty stain resistant vinyl backed carpet with moisture guard features. Carpets and floor coverings which fail to last through the original term of the Lease under normal and expected wear shall be considered "premature wear" for the purposes of this paragraph. Lessor shall at Lessor's sole cost and expense provide, furnish, install, and replace all exterior and interior light fixtures, including ballasts, bulbs, and fluorescent tubes, except when Lessor is NOT responsible for providing the janitorial services under this Lease, in which case Lessee shall be responsible for replacing the interior bulbs and interior fluorescent tubes. The parties acknowledge that energy conservation to the extent feasible is in the best interest to both parties, and agree to make best efforts to contribute toward gaining energy efficiency wherever possible.

(a-1) Lessor shall notify Lessee a minimum of three (3) workdays in advance of any maintenance and/or repair of the interior or exterior of the Premises that may effect the environment of the employees and

customers. If Lessee determines that the work will be disruptive, Lessee and Lessor shall negotiate a mutual resolution.

(b) Property Management Service. In the event Lessor employs a property management service to perform all or part of the above listed maintenance and repair of the Premises, Lessee shall have the right to inform such property management service of any deficiencies in the performance of its services. In the event those duties are not performed in a satisfactory or timely manner, Lessee shall have the right to notify Lessor of such unsatisfactory service, and request Lessor take appropriate corrective actions including termination or replacement of such property management service, if the performance continues to be unsatisfactory as determined by Lessee.

(c) Should Lessor fail to maintain the Premises in accordance with above requirements, and after reasonable prior notification to Lessor to remedy the problems, Lessee may contract for necessary labor, equipment and material to bring Premises within those requirements and shall deduct related costs plus reasonable administrative costs from future rent payments.

(d) Lessee shall take good care of the interior of the Premises and at the expiration of the term surrender the Premises in as good condition as at the commencement of this Lease, excepting only reasonable and expected wear and tear, permitted alterations, and damage by fire or other casualty.

11. Heating, Ventilating and Air Conditioning (HVAC) Standards.

(a) The HVAC system shall operate so as to satisfy all of the factors contributing to the comfortable conditions with respect to cooling, heating and fresh air intakes, per the applicable building codes and the standards applicable to similar office buildings in the area. Normally the amount of outside air per person should not be less than 20 cfm.

(b) System Maintenance: Lessor shall be responsible for maintaining the system in proper operating condition to the standards set forth above. Maintenance shall be performed as frequently as may be required by the local conditions in keeping the system in proper operating condition, but shall not be less than: Every three (3) months a preventative maintenance check, every six (6) months complete filter changes, once every two (2) years clean the coils on all units. On request by Lessee, Lessor shall provide Lessee with copies of work orders signed by the maintenance person who performed the work. Should Lessor fail to maintain the system in accordance with above standards, and after written notification to the Lessor, Lessee may contract for necessary labor, equipment and material to bring system within those standards and may deduct related costs plus reasonable administrative costs from future rent payments.

12. Services and Utilities.

(a) Lessor will cause the utilities and services listed below to be furnished to the Premises. Charges shall be paid as indicated:

<u>Utility or Service *</u>	<u>Monthly Charges Paid By:</u>	
	<u>Lessor / Lessee</u>	
Water	_____	X
Sewer	_____	X
Electricity	_____	X
Gas	_____	X
Trash Removal	_____	X
Janitorial Service	_____	X
Janitorial Supplies (including recycling charges)	_____	X
Window Washing	_____	X
Snow and Ice Removal	_____	X
Building Security (If required)	_____	X

Pest Control

_____ X _____

* The Federal Aviation Administration shares the building with Lessee. Lessor shall reimburse Lessee, within thirty (30) days, the proportionate amount (ten percent (10 %)) of the Federal Aviation Administrations utility and services costs.

(b) Telephone Cable and Wire: Lessor shall be responsible for providing and maintaining all telephone cable and wire to the telephone/computer room/closet in the Premises, including bringing sufficient number of lines to the telephone closet(s) on the floor or in the area where the Premises are located for Lessee's use. Installation of any new station wire and maintenance of all station wire shall be Lessee's responsibility, except when such installation work is included in the Lessor's build-out work as may be agreed to by the parties under this Lease. Station wire means that wire or cable which runs between the station jack(s) and the telephone closet(s), and those which run between and among station jacks.

13. Insurance. Lessee shall provide for its own personal property damage coverage and liability insurance, within the limits as provided under ORS 30.260 to 30.300, and as limited by Oregon Constitution, Article XI, Section 7. Lessor shall provide for its own liability coverage and real property damage coverage for the building structure and the building systems, subject to the same limitations as provided under the law.

14. Statement of Self-Insurance. The State of Oregon is self-insured for its property and liability exposures, as subject to the Oregon Tort Claims Act, ORS 30.260 through 30.300. A Certificate of Self-Insurance will be provided, upon request of the Lessor.

15. Waiver of Subrogation. Neither Lessor nor Lessee shall be liable to the other for any loss arising out of damage to or destruction of the Premises or the Facility or the contents thereof, when such loss is caused by any of the perils which are or could be included within or insured against by a standard form of fire insurance with extended coverage, including sprinkler leakage insurance, if any. All such claims against one another for any and all loss, however caused, hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Lessor or Lessee or by any of its respective agents, servants or employees. Each party shall fully provide its own property damage insurance protection at its own expense, and each party shall look to its respective insurance carriers for reimbursement of any such loss, and further, the insurance carriers involved shall not be entitled to subrogation under any circumstance.

16. Casualty Damage. If the Premises or improvements thereon are damaged or destroyed by fire or other casualty to such a degree that the Premises are unsuitable for the purpose leased, and if repairs cannot reasonably be made within ninety (90) days, Lessee may elect to cancel this Lease. Lessor shall in all cases promptly repair the damage or ascertain whether repairs can be made within ninety (90) days, and shall promptly notify Lessee of the time required to complete the necessary repairs or reconstruction. If Lessor's estimate for repair is greater than ninety (90) days, then Lessee, upon receiving said estimate will have twenty (20) days to determine if it wishes to cancel this Lease. Following damage, and including any period of repair, Lessee's rental obligation shall be reduced to the extent the Premises cannot reasonably be used by Lessee.

17. Assignment and Subletting. Lessee shall have the right to assign this Lease or sublet any part of the Premises to another State agency, or sublet any parking spaces to state employees, without express approval of Lessor; and Lessee may assign this Lease or sublet any portion of the Premises to other parties with Lessor's written consent, which consent shall not be unreasonably withheld.

18. Funding. The parties understand that rental and other charges to Lessee under this Lease are to be paid only from funds derived by legislative appropriation or budget limitation. The parties mutually understand that this Lease is made by the Lessee in its official capacity as a state agency and not by its officers as individuals.

19. Non-appropriation.

(a) If sufficient funds have not been provided in the legislatively approved budget of Lessee, Oregon Department of State Police, to permit Lessee in the exercise of its reasonable administrative discretion to continue this Lease, Lessee may terminate this Lease without further liability to Lessor with not less than one hundred twenty (120) days prior written notice to Lessor. During such termination notice period, Lessee may negotiate with Lessor for continued occupancy in a portion of the Premises at a reduced rent. If that is not feasible on mutually acceptable terms, then the Lease shall terminate as notified. In determining the availability of funds to Lessee, Lessee will use the budget approved by the Oregon State Legislature or acts of the Legislative Emergency Board.

(b) If by a specific legislative act, Lessee as named herein is abolished or its functions absorbed into other state agency or agencies, Lessee may terminate this Lease without further liability to Lessor with not less than one hundred twenty (120) days prior written notice to Lessor.

(c) If any of the foregoing occurs with respect to an agency/division occupying only a portion of the Premises, Lessee shall have the right to terminate as to that portion of the Premises.

20. Default. Neither party shall be in default under this Lease until written notice of the unperformed obligation has been given and that obligation remains unperformed after notice for fifteen (15) days in the case of a payment or for thirty (30) days in the case of other obligations. If the obligation cannot be performed within the thirty-day period, there shall be no default if the responsible party commences a good faith effort to perform the obligation within such period and continues diligently to complete the performance. In case of a default the non-defaulting party may terminate this Lease with thirty (30) days prior written notice to the defaulting party, and it shall be entitled to recover damages or any other remedy provided by applicable law, or it may elect to perform the defaulting party's obligation and recover from the defaulting party the costs plus interest at the legal rate for judgment. If Lessee make such expenditures as the non-defaulting party, those expenditures may be deducted from the rent.

21. Holdover. With thirty (30) days prior written notice to Lessor Lessee may hold over this Lease for a period not to exceed two (2) months after the end of the lease term without obtaining prior consent of Lessor. If Lessee holds over the lease term, a tenancy from month to month shall be created at the same rental rate as the immediately preceding months, and the holdover shall not be construed as an exercise of any renewal option contained herein. Lessee holding over the Lease longer than the first two (2) months shall be subject to Lessor's consent.

22. Confidentiality of Business Information. Lessor acknowledges that Lessee's permitted use of the Premises includes the creation, management and retention of business information of a personal or confidential nature, and that the unauthorized acquisition or disclosure of such information may be grounds for civil and/or criminal liability. Lessor, for itself, its agents, employees and contractors, agrees that it will take no action that would jeopardize the confidentiality of Lessee's business information or expose such information to disclosure, whether such information has been identified to Lessor as confidential or otherwise, and will cooperate with Lessee in affirmatively protecting the confidentiality of all information so designated as confidential or otherwise of a sensitive nature. Lessor acknowledges and agrees that violation of the provisions of this section will be deemed a material breach of the Lease, for which Lessee may terminate the Lease and for which additional remedies may also be available.

Notices. Notices between the parties shall be in writing, effective when personally delivered to the address specified herein, or if mailed, effective seventy two (72) hours following mailing to the address for such party specified below or such other address as either party may specify by notice to the other:

LESSOR: City of McMinnville
231 NE 5th Street
McMinnville, Oregon 97128
Attn: Rich Spofford, or successor
Telephone: (503) 434-7312; Fax: (503) 474-4955
Email: spoffor@ci.mcminnville.or.us

LESSEE: Oregon Department of State Police
4762 Portland Road NE
Salem, Oregon 97305
Attn: Cort Dokken, or successor
Telephone: (503) 934-0228; Fax: (503) 463-8219;
Email: Cort.Dokken@state.or.us

24. Subordination/Attornment Agreement. Lessee will respond to Lessor's reasonable request for subordination or attornment agreement, provided such document shall clearly state that any successor in interest to Lessor under this Lease shall assume and perform all the responsibilities and obligations of Lessor under this Lease. Such document shall not contain any provision requesting Lessee to save, hold harmless or indemnify Lessor, a lender or any other third party.

25. COMPLIANCE WITH APPLICABLE LAW:

(1). Certificate of Compliance With Oregon Tax Laws.

(2). Property Taxes. Lessor certifies that Lessor is not currently delinquent on any applicable property taxes levied on the Premises and that Lessor will during the term of this Lease pay all such taxes before the taxes become delinquent by law, or by May 15th of each year, whichever comes sooner. Notwithstanding any other provisions of this Lease, in case Lessor is found delinquent on property taxes, Lessee may at its sole option either terminate this Lease with thirty (30) days prior written notice to Lessor or pay the delinquent property taxes together with any interest or penalties added thereto, and deduct such amount from the rent due Lessor with interest at one percent (1%) per month.

(3) Both Lessor and Lessee each qualify as a tax-exempt agency for real property tax exemption through the Yamhill County Tax Assessor as provided by ORS 307.166 and Oregon Administrative Rule 150-307.166. Lessor and Lessee acknowledge the Base Rent has been established as per the requirements of the exemption and anticipate granting of such exemption by the Yamhill County Tax Assessor. Lessee agrees to file Application for Real and Personal Property Tax Exemption, form 150-310-085 with the Yamhill County Tax Assessor within thirty (30) days of execution of this lease. In the event such exemption is not granted, Base Rent shall increase by the true amount of such real property tax (2008/2009 assessment).

26. NO PRESUMPTION AGAINST DRAFTER. Lessor and Lessee understand, agree and acknowledge that: (a) This Lease has been freely negotiated by both parties; and (b) That, in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

27. MERGER.

THIS LEASE CONSTITUTES THE ENTIRE LEASE BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS LEASE SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS LEASE. LESSOR, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT LESSOR HAS READ THIS LEASE, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Lessor agrees to comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to this Lease which are incorporated by reference herein.

This Lease shall not become effective and shall not be binding upon the State of Oregon or any agency thereof until it has been executed, in the signature spaces provided below, by all parties to this Lease, including those whose approval is required.

LESSOR: CITY OF MCMINNVILLE
By *Steve Taylor*
Date 4.9.09

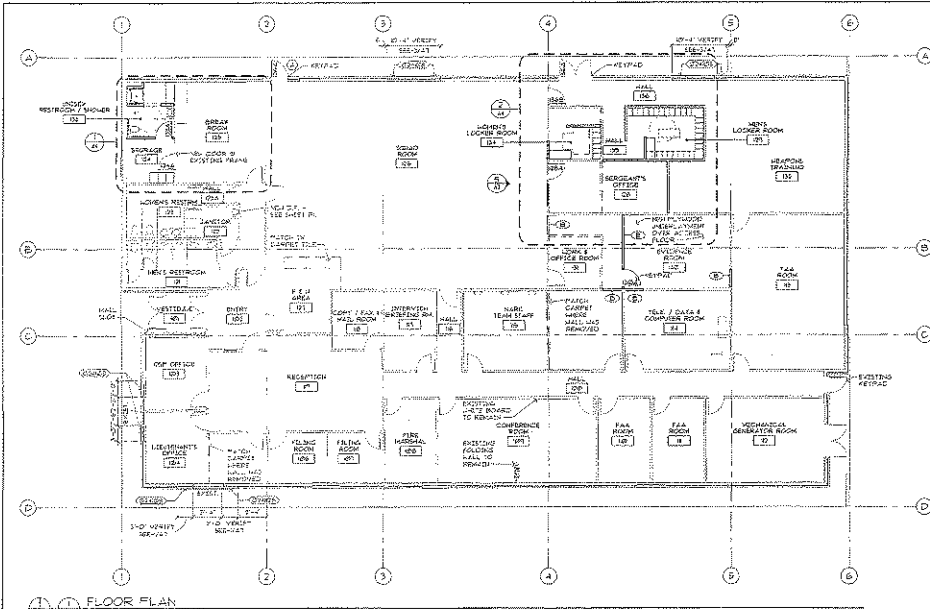
LESSEE: STATE OF OREGON acting by and through its
Department of State Police
By *Roberta McKatzen*
Date 4/11/09

APPROVAL: STATE OF OREGON acting by and through its
Department of Administrative Services
By *Scott D. Young*
Facilities Division
Date 27 Apr 09

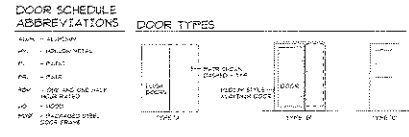
LIST OF EXHIBITS

- 1. Exhibit A – Floor Plan (attached)
- 2. Exhibit B – Parking Plan (attached)
- 3. Exhibit C - Lessee's Work Requirements (attached)
- 4. Exhibit D - DAS Leased Facilities Construction Standards (attached)

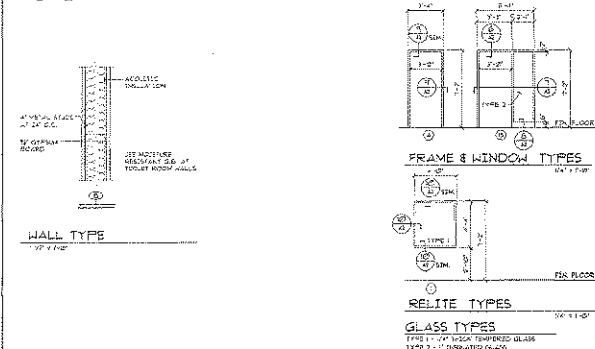
INTERGOV LEASE MCMINNVILLE CIRBUS
DY 8/18/08



DOOR SCHEDULE									
NO.	SIZE	TYPE	FINISH	GLASS	SWITCH	LOCK	HANDLE	REMARKS	REVISED
101	3'-0" x 7'-0"	SW	1	1	1	1	1	SEE TYPICAL DOOR / FRAME DETAILS EXCEPT AS NOTED	
102	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
103	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
104	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
105	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
106	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
107	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
108	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
109	3'-0" x 7'-0"	SW	1	1	1	1	1	1	
110	3'-0" x 7'-0"	SW	1	1	1	1	1	1	



ROOM FINISH SCHEDULE									
NO.	ROOM NAME	WALLS	CEILING	FLOOR	GLASS	REMARKS			
101	RECEPTION	1	1	1	1				
102	OFFICE	1	1	1	1				
103	CONFERENCE ROOM	1	1	1	1				
104	HALL	1	1	1	1				
105	HALL	1	1	1	1				
106	HALL	1	1	1	1				
107	HALL	1	1	1	1				
108	HALL	1	1	1	1				
109	HALL	1	1	1	1				
110	HALL	1	1	1	1				



KEYNOTES

- (1) NEW DOOR ASSEMBLY
- (2) NEW WINDOW ASSEMBLY
- (3) PATCH TO MATCH ADJACENT SURFACES
- (4) HOLLOW METAL FRAME
- (5) HOLLOW METAL DOOR
- (6) HOLLOW METAL RELITE FRAME

GENERAL NOTES

- ALL DIMENSIONS ARE TO GRID LINE FACE OF STUD, OR FACE OF CONCRETE.
- ADJUST FRAMING AS NECESSARY TO ALIGN EXISTING AND NEW SYSTEM BOARD WITH EXISTING AT WALL, PARAPET, AND TYPE INTERSECTIONS. FOR WALL INTERSECTION DETAILS.
- SEE INTERIOR ELEVATIONS FOR WALL, INSULATED SYSTEM BOARD AS INDICATED, UNDERBENCHES, AND INTERIOR SLOPE.

ROOM FINISH KEY

FLOORS	WALLS
1. PATCH - BOASTING CARPET	1. SYSTEM BOARD FINISH
2. PAINT	2. MODIFIED SYSTEM BOARD FINISH
BASE	CEILING
1. 4" COVER NUMBER BASE	1. 5x7 3/4" 2000000 TILE
2. 2" COVER NUMBER BASE	2. 2" 2000000 SIGNATURE
	3. SUSPENDED SYSTEM BOARD - PAINT

NOTE: PATCH PAINT WALL WHERE EXISTING WALLS WERE REMOVED.

OREGON STATE POLICE /
 FAA FACILITY
 4000 SE CIRRIUS AVE. MCMINNVILLE, OREGON
 FLOOR PLAN
 PROJECT NO. 1000000000
 DATE 03/20/2021
 DRAWN BY [Name]
 CHECKED BY [Name]
 APPROVED BY [Name]

LEGEND

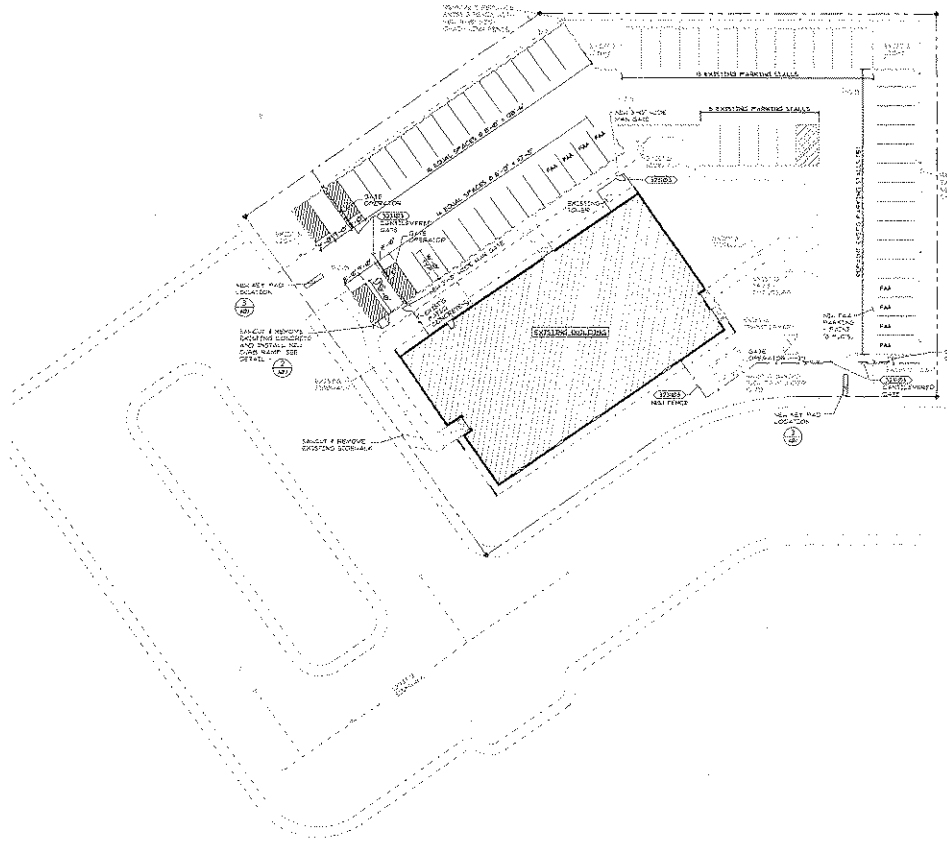
[Hatched Box] -- EXISTING BUILDING

KEYNOTES THIS SHEET

[Circle with 'X'] -- 18" HIGH LINK FENCE & GATE

GENERAL NOTES THIS SHEET

- 1. PROVIDE SUNFLOWER GATES AT GS LOCATIONS SHOWN. PROVIDE ELECTRICAL GATE OPERATORS, WHEN REQUIRED, SHOWN TO STEEL POINT & DETENTION LOOP SYSTEM AS SPECIFIED.
- 2. REMOVE EXISTING FENCING AS RELATED TO DETENTION LOOP SYSTEM. PATCH ASPHALT PAVING AFTER DETENTION LOOP SYSTEM INSTALLED.
- 3. RESEED LAWN AREA DISTURBED BY FENCE REMOVAL. INSTALLATION OF NEW FENCE GATES. DEMO ELECTRICAL WORK.



SITE PLAN
AS-SP-000000-L

SEAL
REGISTERED ARCHITECT - WASHINGTON STATE
1984
10000

REGISTERED ARCHITECT
WASHINGTON STATE
1984
10000

OREGON STATE POLICE / FAA
FACILITY
46000 SE CIRRUS AVE. MCKENNAVILLE, OREGON
EXISTING SITE PLAN

SYNOPSIS
DATE: 10/11/2008
SCALE: AS SHOWN
PROJECT NO. 08-000000-L

A0.1

EXHIBIT B

Oregon State Police (OSP) – McMinnville Facility

I. Construction Standards

All construction or remodeling work shall meet the requirements and standards of the Oregon Uniform Building Codes, ANSI A117.11986; the Code of Federal Regulations, 36 CFR 1191 Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADA); and the State of Oregon Department of Administrative Services Facilities Division Leased Facilities Construction Standards, revised February 2000. Each candidate shall provide a drawing depicting the proposed office layout to meet the facility components detailed below. The winning candidate shall provide an electronic version of the final drawing of the office layout in an AutoCAD 2004 or 2005 format for space planning purposes.

II. Facility Components – Summarized

The following items are part of the specifications for the above named facility:

1. Work Space – Patrol/Fish & Wildlife (F&W)/Criminal/State Fire Marshal

DESCRIPTION	COUNT	(Sq Ft) SIZE	USAGE
Patrol Lieutenants' Offices	1	336	Enclosed Office
Patrol Sergeants Office	2	205	Enclosed Office
Criminal Sergeant & Detectives (Narc. Team)	5	450	Enclosed Office Area
Deputy State Fire Marshal	1	150	Enclosed Office
Criminal Division Detective	1	100	Workstation or Office
Fish & Wildlife Enforcements	4 *	96	Shared Office or Separate Workstations at 8' x 8' * 3 seasonal employees
Troopers	12	2120*	*Shared open room with a squad room table and workstations to be set up around the perimeter of the room. These areas are shared over a 24 hour schedule, for approx. 4 troopers per shift

EXHIBIT C

2. Office Space - Administration

DESCRIPTION	COUNT	(Sq Ft) SIZE	USAGE
Office Specialist I	1	64	

3. Support Space - Patrol/Fish & Wildlife/Criminal/State Fire Marshal

DESCRIPTION	COUNT	(Sq Ft) SIZE	USAGE
Conference Room	1	480	Multipurpose – training, conference, training, library
Reception/Waiting Area	1	200	Public entrance, secured area (see SOR area in Special Program Space below)
Mail Room	1	50	
Filing	6	70	High Density Filing System within separate room
Storage/Office Supplies	1	50	
Copy Station/Fax/Printer	2	50/100	
Receiving Area	1	40	
Recycle Barrels	4	4/16	
Break Room/Lunch Room	1	shared	
Janitorial Closet	1	72	Store paper products and janitorial supplies
Men's Locker Room	1	shared	Includes 1 shower and 20 lockers
Women's Locker Room	1	200	Includes 1 shower and 6 lockers

4. Special Program Space - Patrol/Fish & Wildlife/Criminal/State Fire Marshal

DESCRIPTION	COUNT	(Sq Ft) SIZE	USAGE
Computer Room	1	50	
Evidence Storage	1	336	Central location for all evidence to be stored inside
Arms Room	1	1251	Secure firearms and radio equipment/ training/weapon cleaning
Sex Offender Registration	1	60	Separate area for SOR process
Polygraph/Interview Room	1	160	Interview suspects/victims

FACILITY SPECIFICATIONS

The following list of general facility specifications is not meant to be all inclusive of the entire office building, although it will define the basic amenities required for this office. Any changes, additions or deletions must be approved by the State.

**PATROL/FISH & WILDLIFE/CRIMINAL DIV/STATE FIRE MARSHAL
OFFICES**

1. Public Entrance to facility

- a) The public entrance must be equipped with an air lock or, at a minimum, a wind break if exposed to weather. The public entrance must be equipped with an ADA approved door opener.
- b) A public waiting area (reception) shall be at least 160 sq ft (including SOR area if necessary).
- c) A reception counter will be located at a window with bullet proof glass and the lobby area while monitoring the entire customer waiting area.
- d) The reception counter will be designed in a manner that maintains staff safety while providing a feeling of approachability to customers.
- e) A section of the public entrance at least 6' x 8' must be separated for a secure holding area for Sex Offender Registration purposes. A slide under tray window must be between the registrar and the office staff for processing documents.
- f) The lobby/waiting area should contain two separate windows for processing public needs. One within the Sex Offender Registration area and the other for all other public needs. All windows should be bulletproof and Kevlar should be between the walls surrounding the windows.
- g) The door to access the office specialists' work area from the lobby for personnel to enter must be secured for limited access.

2. Staff Meeting Conference Areas/Training Room/Briefing Room

- a) One large conference room of 480 sq ft shall be equipped with sets of electrical and data placed on opposite walls. In addition, the room shall contain a telephone jack placed along side one of the electrical/data outlet sets.
- b) Main conference room shall be located centrally within the facility for maximum use by various divisions of the State Police divisions, having the least amount of interruption to staff housed at the site. Room shall be dividable into two smaller areas using a movable divider if possible. Room shall be equipped with at 2 sets of voice/data per wall or one set per wall when room is dividable. The room shall be equipped with a coffee service area and standard kitchen cabinetry with small sink complete with arched faucet at sink. The sink area should accommodate an instant-hot water faucet at sink. Counter area should be able to accommodate coffee makers, microwave and additional equipment as necessary.
- c) Conference/Training room to be shared by all divisions located within the facility.
- d) Main conference room will have sufficient lighting/window treatment control to allow for video conferencing. Room shall be able to accommodate ceiling mounted projectors and a drop down projector screen. Sufficient network drops will be provided in the ceiling to allow for wireless transceivers.

3. Computer Room

It is preferred that placement of the Computer Room be adjacent or near to the Office Specialists' work unit. This room will also serve as the phone connection room as well.

4. Staff Areas

- a) Private offices for those indicated above will have hard walls and doors. The Supervisors' office placement must be within their respective work units.
- b) Staff's furniture (cubicles) shall be placed in conjunction to their respective work unit. Work units shall not be housed separately or on separate floors.
- c) The Sergeants work area can be made up of one large room, sectioned by work stations for each Sergeant.
- d) The troopers can share one large common area, known as a squad room, which allows for 8-12 workstations to be set up for data and phone connection along common walls, and a large table to seat 18 located within the room.
- e) Except where noted otherwise, each staff work location will be supplied, at minimum, with a duplex electrical outlet, telephone, and two (2) data outlets. Other outlets (electrical, phone, and data) will be provided to support additional equipment/printers as identified by a space planner.
- f) An exit from the staff area leading out of the building will be provided with convenient access to parking.
- g) The main staff lunchroom shall include standard kitchen cabinetry with double sink, with arched faucet of a height to accommodate coffee makers, an instant hot water faucet at the sink, refrigerator and microwave. Wiring and plumbing will also accommodate sufficient vending machine areas. Provide vinyl flooring for at least five feet in front of the sink with the remainder of the room carpeted. Lessor will supply all appliances with exception of coffee makers.
- h) A staff drinking fountain shall be provided, preferably near the main conference area and reception area.

5. Restrooms

Total restroom count: (3) minimum.

Two restrooms are to be shared between the divisions within the facility.

- a) One (1) men's restroom with two or more stalls and two or more urinals with at least 20 individual full height lockers and a shower shared by all divisions.
- b) One (1) women's restroom with two or more stalls with at least 6 individual full height lockers and one shower shared by all divisions.
- c) One (1) unisex restroom to be located in the public entrance lobby area.

All restrooms must have sinks, dispensers, mirrors, doors, and ventilation. Restrooms must meet ADA requirements.

6. Break Room/Lunch Room

- a) This room should be at least 200 sq ft.
- b) A refrigerator with an icemaker must be provided.
- c) A sink with a garbage disposal, dishwasher and microwave oven is required.
- d) Power outlet for a large commercial coffee maker is needed.
- e) Furnishings should include tables with at least 6 chairs for each.
- f) Vending machines, if desired by the owner, should be incorporated in this area.

7. Parking

- a) The building must be accessible from an off street adjacent parking lot containing a minimum of 16 spaces for State Owned Vehicles and 22 spaces for Staff owned vehicles.
- b) Exits from staff areas leading out of the building without going through the public waiting area will be provided with convenient access to parking.
- c) The staff parking lot shall be secured inside the fenced area that is to surround the facility, securing the State Vehicles and Staff vehicles. The parking lot must be in good condition with any cracks patched with rubber crack seal and flaking surfaces being re-stripped after application of a type 2 standard duty poly modified emulsion seal containing a minimum sand equivalent of 60.
- d) A parking lot for client parking consisting of at least 8 spaces with one handicap spaces located in front of the building as necessary.
- e) The building must be securely enclosed with 6' cyclone fencing with barbed wire aligned along the top, around three sides of the facility, leaving the front of the building open for public access into the lobby during business hours.

8. Special Space Needs

- a) A secured Arms Room that is contained and only accessible through a locked or otherwise secured door with racks to hold and secure firearms and radio equipment within a central location. This area cannot have false ceilings.
- b) An interview/polygraph room to conduct investigations that has sound proof walls and a light indicator on the outside of the door, indicating when an interview or test is in process.
- c) A secured room to centrally locate all evidence to be kept in possession of OSP, (other than the evidence stored in the shop area such as Fish and Wildlife game or large items) is to be centrally located in a room consisting of heavy duty shelving for storage and organizational purposes. This room must have proper continual ventilation to the outside of the facility. An entry door to the evidence room must be located within the evidence technicians working area or within 4 feet. This area cannot have false ceilings.

Oregon State Police Facility Relocation - McMinnville FAA Building
Floor Space Allocation

Room	OSP/FAA/City/S hared	Use	Size	Sq. Ft.	Changes/Improvements
101	Shared	Vestibule between exterior and lobby area	8' x 7.667'	58.667	N/A
102	Shared	Lobby/Reception/Entrance area	11' x 11'	121	N/A
103	OSP	Lieutenants Office Area & Small Conference Table	12' x 28'	168	Remove Wall between rooms 103 & 104 to combine rooms as one office area. Add two additional windows on
104	OSP	Filing Area	11' x 11'	110	N/A
105	OSP	Filing Area	11' x 11'	110	N/A
106	OSP	Filing Area	11' x 11'	110	N/A
107	OSP	Interview/Briefing Room	16' x 10'	160	N/A (This space has 3-1/2" sound batt insulation in the walls)
108	OSP	Conference Room	30' x 16'	480	N/A
109	OSP	FAA Use Only	16' x 10'	160	N/A
110	FAA	FAA Use Only	16' x 10'	160	N/A
111	FAA	Generator/Mech. Room	16' x 23'	368	N/A
112	City	FAA Use Only	29' x 22'	638	N/A
113	FAA	Telephone/Data/Computer Room	15' x 20'	300	N/A
114	Shared	NARC Team Staff (6 FTE)	30' x 15'	210	Remove wall between rooms 115 and 116, combine as one large room. This space includes the 3' hallway
115	OSP	Fire Marshal Deputy Office	10' x 15'	150	N/A
116	OSP	Copy/Fax/Mailroom area	10' x 11'	110	N/A
117	OSP	Reception/Common Area	15' x 33'	531	N/A
118	Shared	Hallway from North exit to room 119 Reception	5' x 83'	415	N/A
119	Shared	Men's Restroom	10' x 23'	207.2	A shower must be constructed in or around this area
120	Shared	Janitorial Closet	(4.083' x 5.5833')	59.17	N/A
121	Shared	Hallway between restrooms/reception/breakroom	5' x 19.667'	121.13	N/A
122	Shared	Women's Restroom	10' x 20'	200	Must be separated for men and women use. A shower must be constructed in or nearby this area.
123	OSP	Breakroom	17' x 20'	340	N/A
124	OSP	Squad Room Area	53' x 40'	2120	N/A
125	Shared	F&W Area	8' x 12'	96	briefing counter to be removed
126	OSP	Sergeant's office	10.25' x 10'	102.5	remove wall between 128 & 129
127	OSP	Sergeant's office	10.25' x 10'	102.5	remove wall between 128 & 130
128	OSP	Evidence Processing and Secured Storage	14' x 24'	336	Room must be secured (ceilings & floor). Evidence processing area must be added to the South end of the room.
129	OSP	Hallway into Evidence Area	4' x 10'	40	Secured entrance area
130	OSP	Work area - private office	10' x 10'	100	N/A
131	OSP	Weapons Storage area/Training/Gun Cleaning	46' x 26'	1196	N/A
132	OSP		10' x 5.5'	55	N/A

Total OSP Sq. Ft. 6604.8
 Total Shared Sq. Ft. 2153.2
 Total FAA Sq. Ft. 958
 Total City Sq. Ft. 368
 Total Building Area SF 10084

STATE OF OREGON
DEPARTMENT OF ADMINISTRATIVE SERVICES
FACILITIES DIVISION

LEASED FACILITIES
CONSTRUCTION STANDARDS

REVISED
February 2000

**Facility Project Manual Construction Standards
Leased Facility**

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Oregon Department of Administrative Services

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Note: *Numbers in parenthesis refer to the Standard Construction Institute Specifications (CSI) system numbers.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Purposes of the Standards

1. This document is designed to offer standards of performance for construction or remodeling office facilities leased to, or to be leased by, agencies of the State of Oregon as tenants.
2. The standards listed herein are mandatory for new build-to-suit projects and major renovation projects. Some portions of these standards may be exempted if a written request is filed with the Division describing the nature of the changes. The Division will evaluate whether or not the changes or discrepancies are acceptable and if additional modification will be required before the building is acceptable. In no case shall standards relating to basic code safety requirements, accessibility by disabled persons, or an adequate electrical and HVAC system be waived. Where a particular lease document specifies standards or requirements, such standards or requirements shall prevail.
3. In order to make these Standards more easily understood, and to recognize accepted construction industry practices, references will be made to published standards, such as:
 - a. Standard material specifications, such as those prepared by ASTM, ANSI, or other agency or association;
 - b. Installation standards by various trade associations, societies, or institutes, etc.

Wherever standards are mentioned in this document, it is intended that the contents of the standard will be fully incorporated into the Project Specifications to be prepared by project architect or engineer. Excepting the portions expressly exempted or modified, all the standards contained herein are considered as binding as if it was fully set forth in the Project Specifications. This requirement also applies to standards that are voluntary, that is, those that have not yet been uniformly adopted by all interested parties. Unless otherwise stated in this document, use the latest edition of a given industry performance standard to determine Project Specifications.

4. This document is not intended as a substitute for a Project Specification. A Project Specification should be developed for each project by a Project Architect/Engineer incorporating the standards contained in this document.
5. Asbestos: Where asbestos or other materials defined by law as health hazards are used in the building, it must be abated or otherwise contained so that the building may be free from such health hazards; and a certification to that effect shall be provided to the Division.
6. Americans with Disabilities Act (ADA). Compliance with the requirements of the ADA in accordance with the ADA standards of the Accessibility Guidelines for Buildings and Facilities (ADAAG) is required.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Definitions

1. **Approval By:** "Approval by the Division" of any Drawings is a general approval relating only to compliance with the intent of these construction standards or, the tenant's purposes or use, and shall not constitute a waiver of errors, misfits, discrepancies or omissions of requirements or standards applicable to the project.
2. **Approved Equal:** A product, component or process whose use in or on a particular project is specified as a standard for comparison purposes only. The "equal" product, component or process shall be the same or better than that named in function, performance, reliability, quality, and general configuration. Determination of equality in reference to the project design will be made by the Project Architect or Engineer with concurrence by the Division.
3. **As required:** In accordance with applicable codes, industry standards, or manufacturers recommendations.
4. **Certificate of Acceptance:** Standard Division form which must be signed by all who have been assigned specific duties relative to the performance of the work, with ultimate approval and acceptance by the Agency and/or Division.
5. **Design Professional:** A registered professional Architect or Engineer who is responsible for the overall aesthetic and technical design of the Project.
6. **Division:** Facilities Division of the State of Oregon Department of Administrative Services, as itself a Lessee or acting for other state agency as Lessee. Where Division is not so involved, the term "Division" in this document shall mean any state agency acting for itself as Lessee.
7. **General Requirements:** General technical, procedural, or administrative requirements which apply to the Project as a whole, and which apply uniformly to the product and materials standards found in Chapters Two through Seven.
8. **Improvement:** General term encompassing all phases of the work to be performed and is synonymous to the term Project.
9. **Inspector:** The authorized representative of the Agency and/or Division whose instructions and decisions shall be limited to the particular duties and responsibilities entrusted to him or her in making detailed inspections of any or all portions of the work or materials therein.
10. **Lessor:** The owner, contractor, superintendent or other agent of the owner empowered to act for the owner to resolve lease and construction issues.
11. **Or approved:** Same as "Approved Equal". Refer to the procedures specified in Chapter One - General Requirements, Substitutions and Product Options.
12. **Plans:** Official Plans, profiles, cross sections, elevations, details, and other working, supplementary and detail drawings, or reproductions thereof, signed by the Architect and/or respective Engineer, which shows the location, character, dimensions and details of the work to be performed.

Leased Facility Construction Standards

Chapter 1 - General Requirements

13. **Project:** General term encompassing all phases of the work to be performed under the contract and is synonymous to the term improvement.
14. **Referenced:** Generally recognized documents issued by organizations. Standards involved in construction which specify requirements for materials and/or techniques of installation for products or materials. Refer to the Section entitled "Materials and Equipment" in Chapter One, General Requirements.
15. **Shop Drawings:** Supplementary plans or data which the Division may require the Contractor/Subcontractor to submit for approval in the absence of plans.
16. **Tenants:** State of Oregon agencies; also referred to as "Lessee".
17. Reference to a technical society, institution, association, or Governmental authority is made in accordance with their acronym as shown in the following table:

AAMA	Architectural Aluminum Manufacturers Association 35 East Wacker Drive; Chicago, Illinois 60601 312-782-8256
AAN	American Association of Nurserymen, Inc. 230 Southern Building; Washington, D.C. 20005
AASHTO	American Association of State Highway and Transportation Officials; 341 National Press Building Washington, D.C. 20004
ACI	American Concrete Institute Box 19150 Redford Station; Detroit, Michigan 48219
ADAAG	Americans with Disabilities Act of 1990, Public Law 101-336 Accessibility Guidelines for Buildings and Facilities,
AISC	American Institute of Steel Construction, Inc. Suite 1580, 1221 Avenue of the Americas; New York, N.Y. 10020
AISI	American Iron and Steel Institute 1000 16th Street N.W. Washington, D.C. 20036
AITC	American Institute of Timber Construction West Hampden Ave.; Englewood, CO. 80110
ANSI	American National Standards Institute 1430 Broadway, New York, N.Y. 10018 212-354-3300
APA	American Plywood Association (Successor to DFPA) 119 "A" Street, Tacoma, Washington 98401 P.O. Box 11700, Tacoma, Washington 98411

Leased Facility Construction Standards

Chapter 1 - General Requirements

ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. 345 East 47th Street; New York, N.Y. 10017
ASTM	American Society for Testing and Materials 1916 Race Street; Philadelphia, PA. 19103 215-299-5485
AWI	Architectural Woodwork Institute 5055 South Chesterfield Rd.; Arlington, VA 22206
AWS	American Welding Society 2501 N.W. 7th Street; Miami, Fla. 33125 305-642-7090
CISCA	Ceiling and Interior Systems Contractors Association 1800 Pickwick Avenue, Glenview, Illinois 60025
CRSI	Concrete Reinforcing Steel Institute 1499 Bayshore Highway - Suite 113, Burlingame, CA 94010
CS	Commercial Standard of National Bureau of Standards U.S. Dept. of Commerce, Supt. of Documents U.S. Government Printing Office, Washington, D.C. 20402
FGMA	Flat Glass Marketing Association 1325 Topeka Avenue; Topeka, Kan. 66614
FM	Factory Mutual Engineering Corporation 1151 Providence; Norwood, Mass. 02062
FS	Federal Specification of General Service Administration Superintendent of Documents, U.S. Government Printing Office Washington, D.C. 20402
	or: Government Bookstore Room 194 Federal Building, 915 2nd Avenue Seattle, Washington 98174
NEC	National Electric Code by NFPA 470 Atlantic Avenue; Boston, Mass. 02210
NFPA	National Fire Protection Association 470 Atlantic Avenue; Boston, Mass. 02210
NFPA	National Forest Products Association 1619 Massachusetts Avenue NW Washington, D.C. 20036
NLPB	Northwest Lath & Plaster Bureau 215 West Harrison Street Seattle, Washington 98119

Leased Facility Construction Standards

Chapter 1 - General Requirements

NRCA	National Roofing Contractors Association 1515 N. Harlem Avenue; Oak Park, Ill. 60302
PCA	Portland Cement Association 33 West Grand Avenue; Chicago, Ill. 60610
PDCA	Oregon Council, Painting and Decorating Contractors of America; 4530 S.E. 67th Ave.; Portland, OR 97206
SIGMA	Sealed Insulating Glass Manufacturers Association 3310 Harrison Street; Topeka, Kansas 66611
SMACNA	Sheet Metal and Air Conditioning Contractors' National Association, Inc. 8224 Old Courthouse Road Tysons Corner, Vienna, VA. 22180
UL	Underwriter's Laboratory, Incorporated 333 Pflingsten Road, Box 247, Northbrook, Ill. 60062
WMMP	Wood Moulding and Millwork Producers 1730 S.W. Skyline, P.O. Box 25278 Portland, Ore. 97225
WWPA	Western Wood Products Association 700 Yeon Building; Portland, OR 97204

Leased Facility Construction Standards

Revised October 11, 1999

Chapter 1 - General Requirements

Building Design

Building design, and contract documents (plans and specifications) shall be prepared by an architect registered in the State of Oregon. The structural, mechanical and electrical design and contract documents shall be by engineers in those disciplines registered in the State of Oregon, working under the direction of the architect. Contract Document shall be produced on CAD (computer aided drafting) and the Lessee shall be given a printed and electronic copy of the record drawings at final completion.

Lessor Construction Document Submittal

The Lessor's Construction Document Submittal (Exhibit) shall include the following, if applicable:

1. Architectural Site plan, to show all site features and details.
2. Civil site plan, to show grades and elevations, all site utilities, and details.
3. Landscape and irrigation plans and details.
4. Architectural floor plan, reflected ceiling plan, building sections, wall sections, interior and exterior elevations and details.
5. Structural plans and details.
6. Mechanical plans including HVAC and plumbing and details.
7. Electrical plans including power and lighting and details.
8. Specifications for all the above.

Project Meetings

1. In order to effectively manage the Project development process, the Division requires that certain meetings be held during the course of the Project at which time all members of the project team are expected to attend.
2. At the most strategic or opportune times or points in the course of the Project for the purposes of Division/Tenant inspection of Project, Lessor shall inform the Division at least two (2) weeks in advance for the opportune time and date, and arrange for the Contractor's superintendent, or the Design Professional's project manager to meet with representatives from the Division to discuss the progress of the Work in general and facilitate such Division/Tenant inspection. At that time, any adjustment to the work and progress schedule will be discussed.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Project Meetings

The opportune time or point for the Division/Tenant inspections shall be at least two (2) to three (3) times during the course of the Project, as applicable:

- 1) When the foundation is poured,
 - 2) When the framing is well underway or near completion before closing, and
 - 3) When Project is substantially completed or completed for punch-list inspection.
3. In addition to the meetings and Division/Tenant inspections described above, the Division reserves the right to call meetings to prevent misunderstandings, or to disseminate information.

Shop Drawings, Samples, and Product Data

1. During the design stage of the Project, the Division will require color and finish samples as specified in Chapters 2 through 7. These samples will be retained by the Division throughout the course of the Project. They need not be supplemented during construction, except when the originally selected colors, textures, patterns, or finishes cannot be provided.
2. Submit a comprehensive color and finish display board of major finish materials for approval by the Division. The display board should include, but not be limited to, color of paint, stain, and other finishes for interior and exterior walls, doors, trim, and other elements of finished construction normally exposed to view.

Materials and Equipment

1. Where the requirements of the Project permit, use materials and products which are the manufacturer's stock item. Where a custom made product is required, consult with the Division and obtain approval before proceeding.
2. When the price, fitness, availability, and quality of two materials or products are equal, select the material or product which has been manufactured in the State of Oregon.
3. Applied finishes of various items of equipment, parts, and hardware installed in the Project shall be selected from the full range of the manufacturer's standard colors and textures. Obtain approval from the Division before selecting custom finishes or colors.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Substitutions and Product Options

1. No substitution for any product or material which has been previously identified for use on the Project may be made without the Division's prior written approval. When a substitution is requested, the person requesting the substitution must be able to demonstrate:
 - a. That what is proposed is equal or superior in all respects to the original selection;
 - b. That an equal or superior warranty is readily available;
 - c. That indirect and direct costs for the proposed substitute are equal to or less than originally planned, and if not, a written justification for the added expense;
 - d. That if the substitution is approved, any coordinating work will be performed to result in an installation which is complete in all respects.
2. The equality of different materials or products shall be determined by the methods set forth in this Section. No product or material shall be arbitrarily presumed to be "equal" without having first been so judged by appropriate procedures.

Changes Authorized by Tenant

1. All changes must be authorized by the Lessee's Project Coordinator, and shall be recorded in a written Change Order that includes the added or subtracted cost signed by the Lessee's Project Coordinator and Lessor, prior to commencing with the change. (See page 11 of Performance Specifications)

Floor Load Bearing Standards

NOTE: The following standards are extraordinary, much higher than the UBC standards. Developer/Lessor shall bring it to the attention of Tenant/Lessee for a possible waiver. Find out if the Tenant indeed needs the higher standards for an exceptional file/records storage or any special equipment. Otherwise, Tenant, communicating to Lessor through the Division, may waive these special standards and accept the normal standards provided under UBC.

Unless Tenant expressly waives the requirement under this section, following floor load bearing standards shall apply:

1. Floor areas designated as office space shall be designed to accommodate a uniform load of 70 lbs.
2. Access floor systems shall be designed to accommodate a uniform load of 100 lbs.
3. Areas designated for light storage shall accommodate a uniform load of 125 lbs.
4. Areas designated for heavy storage shall accommodate a uniform load of 250 lbs.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Floor Load Bearing Standards

These loads shall be taken as minimum live loads in pounds per square foot of horizontal projection to be used in the design of buildings for the occupancies listed.

If the partition locations are subject to change, the floor shall be designed to support, in addition to all other loads, a uniformly distributed dead load equal to 20 lbs. per s.f.

Flooring, including the finish floor, underlayment and subfloor, where used, shall have no more deflection under uniform design load than 1/360 of the span between supporting joists or beams.

Hazardous Communications, HAZCOM

On all remodel projects where employees of the State of Oregon are present, it is the responsibility of the Lessor/Contractor to provide the Tenant with the following information prior to the start of the Project:

1. Material Safety Data Sheets (MSDS) on products the Contractor will be bringing to the job site, which State Employees may be using, exposed to or which may be stored on the site.
2. Precautions or appropriate protective measures are required to minimize the possibility of exposure to hazards.
3. Descriptions of the labeling system in use at the job site.

It is the responsibility of the Contractor to inform and train his/her own employees on the use of Material Safety Data Sheets (MSDS).

Lessor shall obtain from Tenant and inform Contractor of any chemical hazards the tenant uses which may affect the Contractor or his/her employees. Lessor will provide the Contractor with Materials Safety Data Sheets (MSDS) for products stored or used by the tenant in the work area.

If, during the course of demolition work, the Contractor observes or suspects the existence of asbestos in the structure or components of the building, the Contractor shall immediately stop the work in the immediate area and arrange for immediate removal and/or encapsulation of the asbestos. Asbestos abatement work shall include proper air monitoring and clearance samples which will be presented to the Lessor on completion of the work.

Leased Facility Construction Standards

Chapter 1 - General Requirements

Project Closeout

1. When the Lessor considers the Work substantially complete, he/she shall submit to the Division a written notice that the Work (or designated portion thereof) is substantially complete, together with a list of minor work to be completed or corrected. Within a reasonable time after receipt of this notice, the Division will make an inspection to determine the actual status of completion.
2. Should the Division determine that the Work is in fact not substantially complete, he/she will promptly notify the Lessor in writing, giving the reasons. The Lessor shall remedy the deficiencies in the Work, and send a second written notice of substantial completion to the Division.
3. When the Division concurs that the Work is substantially complete, the Division will send the Lessor a letter stating that the project is substantially complete, accompanied by a list of items to be corrected or completed, if any.
4. The Lessor will be allowed no longer than 30 calendar days from the date of substantial completion to remedy any deficiencies. If the work is not completed within this period, the Division may order the work completed by another contractor and deduct the cost from the rent.
5. When the Work is complete, Lessor shall submit a letter to the Division stating that the Work is complete and that the contract documents have been reviewed, and that the Work has been inspected for compliance with Contract Documents.
 - a. Submission implies that the Lessor has, to the best of his/her knowledge, completed the Work in accordance with the contract documents, including "punch list" items, that equipment and systems have been tested and are operational, and that the Work is completed and ready for final inspection and for certificate of occupancy by the local code enforcement agency;
 - b. The Division will make an inspection to verify the status of completion with reasonable promptness after receipt of the Lessor's letter.
6. Contractor's closeout submittals include:
 - a. Evidence of compliance with requirements of governing authorities, including the certificate of occupancy and certain other certificates of inspection as required for elevators and other mechanical and electrical equipment.
 - b. Keys and keying schedule (refer to Chapter 6 - Specialties, Equipment and Furnishings, and the Section entitled "Hardware");
 - c. One set of reproducible of all drawings submitted as part of the Lease attachments showing "as built" results. As a minimum, "as built" shall show wall and door layouts as constructed, the location of all electrical junction boxes, AC outlets, telephone and computer outlets and the layout of supply and return registers.
 - d. Instructions for operating and maintaining all building components for which the tenants will be responsible.
7. Rent may be withheld until all closeout submittals have been received and approved by the Division.

Leased Facility Construction Standards

Chapter 2 - Site Work

Earthwork

1. Work of this Section includes site preparation, excavation, filling, grading, and similar sitework, when included or involved in the Project.
2. Locate and maintain an accurate benchmark on or near the site which has been established by a registered surveyor. Relate subsequent elevations of finish grades and building elements directly to this benchmark within precise tolerances.
3. Contact representatives of various utility companies and ascertain the location of buried utilities in order to prevent interruption of services to existing facilities.
4. Excavate as required to reach stable and firm bearing within the tolerances of the soils test report for all structural elements. Place fill or backfill in uniform horizontal lifts in a thickness which will permit specified compaction to occur.
5. Take particular caution to properly backfill against building walls and fill under slabs on grade, walkways and paved parking areas. Perform compaction to such a degree that settlement occurring after construction will be eliminated, or inconsequential and uniform in nature.
6. Accurately align finish grades to result in effective and positive drainage of walks, parking lots, and other paved areas.
7. Finished grades of "Access Aisles" must meet the requirement of ADAAG.

Leased Facility Construction Standards

Chapter 2 - Site Work

Drainage

1. Work of this Section includes catch basins, dewatering drains, and foundation drainage.
2. Incorporate an adequate number of drains into the design of new parking lots, walks, and other paved areas to prevent ponding. Size run-off piping according to "Oregon State Plumbing Specialty Code" provisions for rainwater systems; connect to public utility storm drainage system or other approved outlets.
3. Drain grating must be in compliance with ADAAG.
4. Design surface drainage systems to minimize water movement across walking surfaces.
5. Provide continuous perforated drain lines at the lowest point along the base of perimeter foundation and retaining walls exceeding four feet in height and connect to the rainwater system. Backfill using coarse gravel and cover gravel with filter fabric prior to backfilling with earth.
6. Drainage must be away from the building entrances so that entrance is not restricted by pooling water or ice.

Site Improvements

1. Work of this Section includes various site equipment, such as fences, bicycle racks, outdoor furniture and similar items.
2. Bicycle parking racks should be constructed from heavy gauge metal or precast concrete which offer a convenient means of locking bicycles to the rack. Imbed supports in concrete, or anchor using some other vandal-proof mechanism.
3. Outdoor public seating furniture should be constructed from a smooth surface, non-corrosive material, with openings to accommodate water run-off. Anchor firmly to supports using vandal-proof fasteners. Covered seating areas shall be of a design complimentary to adjacent buildings, and shall have enough free standing area to accommodate a wheelchair.
4. Trash collection area should be shielded and be compatible with the building's design and capable of accommodating a minimum of one 1-1/2 cubic yard trash container. The size and type of trash container shall be based upon agency needs and the local collection service requirements. The enclosure shall be located adjacent to the building and accessible to commercial pick-up.
5. Cigarette and trash receptacles should be provided at all outside entrances to the building. Design and appearance of the receptacles shall be compatible to the general design and appearance of the building.

Leased Facility Construction Standards

Chapter 2 - Site Work

Landscaping

1. Work of this Section includes design and installation of lawns, shrubs, and trees, irrigation systems, and similar work.
2. Accomplish the work of this Section in conformance to the following standards:
 - a. Plant identification according to the American Joint Committee on Horticultural Nomenclature's publication, Standard Plant Names.
 - b. American National Standards Institute: ANSI Z 60.1, "Standard for Nursery Stock".
 - c. American Association of Nurserymen: AAN "Horticultural Standards".
3. Before starting any landscaping work, submit a landscape plan to the Division for its approval. Clearly show the extent of work, the type of each planting material, and the method of installation. The entire site shall be landscaped with lawn, shrub, or tree plantings; provide a fully automatic irrigation system in lawn and shrub areas.
4. Use healthy, vigorous landscaping materials, as defined by 2b and 2c above, which are indigenous to the geographical location of the site. Design the landscape so that minimum upkeep is required, and normal plant development may take place without the need for unusual or specialized skills on the part of maintenance personnel.
5. Do not proceed with planting when conditions detrimental to plant growth are encountered. Schedule installation of trees and shrubs to occur after final grades have been established, and before lawn seeding takes place.
6. Flush, balance, and test the completed irrigation piping system before backfilling. Adjust coverage area and velocity of spray heads to result in uniform irrigation. Ensure that heads in grass areas are installed at height not to interfere with mowing. Include provisions for winterizing and dewatering system.
7. Finish grade for planting beds shall be held below adjacent paved areas to accept barkdust or other ground cover materials.

Paving and Surfacing

1. Work of this Section includes paving for parking areas and for site access and circulation roads constructed from bituminous mixtures or portland cement concrete.
2. Paving base, sub-base materials, and methods of installation shall conform to the State of Oregon "Standard Specifications for Highway Construction".

Leased Facility Construction Standards

Chapter 2 - Site Work

3. Select an asphalt paving system compatible with the type and intensity of use the completed surface will have which meet or exceeds the following minimum requirements:

Base: 8" crushed rock.
Surface: 2" Class C.

Areas subject to subsurface water shall be identified and the sub-base materials modified to meet the specific conditions.

4. Install continuous concrete curbing around the perimeter of circulation drives and parking areas; install permanently anchored wheel stops at each parking stall. Extruded concrete curbs may be used if they are permanently anchored to the paving, and contain 1.5 lbs. of fiber reinforcement for each cubic yard of concrete. Fibrous concrete reinforcement shall be as manufactured by fibermesh, or equal. Make openings in continuous curbs at appropriate locations to permit drainage of rain water run-off.
5. Mark off parking spaces by painting 3 inch wide strips using a paint specially formulated for paved surfaces. Indicate traffic flow by painting arrows. Parking space for State of Oregon vehicles shall be numbered with 12 inch numbers using same paint as above. Striping for disabled parking stalls shall meet the current Oregon UBC requirements.
6. Identify each parking space intended for use by disabled persons with the internationally recognized symbol on the parking surface. A sign shall be posted for each disabled person parking space. The sign shall be clearly visible to a person parking in the space and shall be marked with the international symbol of access and applicable ORS citation in at least one inch high letters. The number of disabled spaces shall be determined by those required by Code plus those required for disabled staff occupying the building as may be requested by tenant agency.

Site Utilities

1. Work of this Section includes requirements for various utility systems which will be serving the completed facility, including natural gas, water, storm sewers, sanitary sewers, electric service, and data communications lines.
2. Locate utility meters in an easily accessible, but inconspicuous location on the site or on the exterior of the building where they will not conflict with vehicular or pedestrian traffic.
3. Work together with serving utility companies in order to provide full, uninterrupted service to the facility. Comply with various regulations pertaining to service connections and fees; the Division will not be responsible for utility costs until after the date of occupancy.
4. Insure that all new facility projects shall be supplied by underground lines.

Leased Facility Construction Standards

Chapter 3 - Building Structure

Concrete

1. Work of this Section includes requirements for concrete materials and workmanship.
2. Comply with the following standards listed below whose provisions are applicable to this particular project.
 - a. American Concrete Institute:

ACI 211,	"Recommended Practice for Selecting Proportions for Normal and Heavyweight Concrete".
ACI 214,	"Recommended Practice for Evaluation of Compression Test Results of Field Concrete".
ACI 301,	"Specifications for Structural Concrete for Buildings".
ACI 347,	"Recommended Practices for Concrete Formwork".
ACI 304,	"Recommended Practice for Measuring, Mixing, Transporting and Placing Concrete".
ACI 306,	"Standard Recommended Practice for Cold Weather Concreting".
ACI 305,	"Standard Recommended Practice for Hot Weather Concreting".
ACI 315,	"Manual of Standard Practice for Detailing Reinforced Concrete Structures".
 - b. Concrete Reinforcing Steel Institute:
CRSI "Manual of Standard Practice".
 - c. Portland Cement Association:
PCA "Design and Control of Concrete Mixtures".

Masonry

1. Work of this Section includes basic requirements for masonry materials and workmanship.
2. Use materials and techniques of workmanship conforming to the following industry standards containing provisions applicable to this particular project.
 - a. Brick Institute of America: BIA "Technical Notes on Brick Construction".
 - b. National Concrete Masonry Association: NCMA "NCMA-TEK" Information Series.
3. Perform the work of this Section using experienced journeyman masons. Protect completed masonry as the installation progresses; prevent excessive water absorption from rainfall, and remove mortar or other stains before they can mar faces exposed to view.

Leased Facility Construction Standards

Chapter 3 - Building Structure

Metals

1. Work of this Section includes requirements for structural metal materials and light gauge metal framing.
2. Comply with the standards listed below which contain provisions applicable to this particular Project.
 - a. Aluminum Association:
AA "Specification for Aluminum Structures".
AA "Designation System for Aluminum Finishes".
 - b. American Institute of Steel Construction:
AISC "Specifications for the Design, Fabrication, and Erection of Structural Steel for Buildings".
AISC "Code of Standard Practice".
 - c. American Iron and Steel Institute:
AISI "Specification for the Design of Cold Formed Steel Structural Members".
 - d. American Welding Society:
AWS D 1.1, "Structural Welding Code", with Revisions.
AWS "Standard Qualification Procedure".
3. Install load-bearing walls and non load-bearing partitions constructed from light gauge steel studs and track to tolerances of 1/4 inch in ten feet, or less. Securely fasten track to floor and ceiling or overhead structure.

Wood

1. Work of this Section includes basic requirements for rough carpentry, wood and metal joists, and prefabricated structural wood.
2. Use materials and techniques of workmanship conforming to the following standards when they contain provisions applicable to this particular project.
 - a. American Plywood Association:
APA C 20, "Plywood Specification and Grade Guide."
APA Y 510, "Plywood Design Specification", with supplements.
 - b. American Wood Preserver's Institute:
AWPI Quality Control and Inspection System (incorporating requirements for identification with AWPB Quality Mark).
 - c. National Forest Products Association: "National Design Specification for Wood Construction".
 - d. United States Product Standards:
PS 1, "Standard for Construction and Industrial Plywood."
PS 20, "American Softwood Lumber Standard".
PS 56, "Voluntary Product Standard for "Structural Glued Laminated Timber". (ANSI A 190.1)
 - e. Western Wood Products Association: "Grading Rules for Western Lumber".

Leased Facility Construction Standards

Chapter 4 - Building Envelope

Waterproofing

1. Work of this Section includes impervious membranes or coatings applied to walls, slabs, or other surfaces subject to occasional hydrostatic head or water immersion.
2. Where there is reasonable evidence to indicate that portions of the building incorporating usable space extending below ground level will be subjected to periods of hydrostatic pressure, install waterproofing to fully protect the structure and its contents. Reasonable evidence includes historical data of the site or neighborhood, water tables measured by soils testing, or water flow uncovered during excavations. Acceptable waterproofing materials include bentonite panels, sheet or liquid applied elastomeric products, built-up bituminous membranes, modified bituminous sheets, or other materials which have been specifically formulated for this purpose.
3. Protect installed waterproofing from damage from backfilling, compaction, construction traffic, or other potentially destructive action by protecting surfaces with fiberboard, or by other sufficient means. If damage does occur, repair the area as required before the installation is covered.

Dampproofing

1. Work of this Section includes materials installed to provide resistance to moisture penetration through surfaces subject to high humidity, dampness, or direct water contact, but not subject to hydrostatic pressures. Includes below grade coatings, water repellant coatings, and vapor barriers.
2. Coat exterior surfaces of concrete walls extending below grade with dampproofing, unless the space opposite of the wall is not intended to be occupied. Acceptable dampproofing materials include emulsified asphalt or synthetic plastic emulsions specifically designed for this purpose. Protect dampproofed walls from abrasive damage by backfilling against a layer of fiberboard or other protective material formulated for this purpose.
3. Install a sturdy vapor barrier below interior concrete slabs. Acceptable products include brands of reinforced plasticized sheets, composite paper and plastic sheets, 55 lb. rolled roofing, or other similar materials designed for this purpose.

Insulation

1. Work of this Section includes thermal insulation manufactured from a variety of materials and produced in a number of different configurations.
2. Use insulation products on this Project which have been manufactured by a company with at least five continuous years experience in the field. Install one or more of the following generic types: glass fiber, mineral fiber, polystyrene, urethane, polyurethane, isocyanurate, perlite or vermiculite. Other generic product types require prior approval from the Division.
3. Installation of insulation shall be carefully performed in order to insure continuity of thermal protection. If a vapor barrier is used, install it on the warm side of the assembly, without tears, breaks, or separations. Maintain adequate positive ventilation space between insulation and other components of the assembly.
4. Ensure that insulation values meet the requirements of Chapter 53 of the "State of Oregon Structural Specialty Code and Fire and Life Safety Code" regardless of area or volume.

Leased Facility Construction Standards

Chapter 4 - Building Envelope

Roofing and Gutters

1. Work of this Section includes installation and performance requirements for all types of roofing and flashing, as well as requirements for openings made through roofing membranes as a result of the installation of skylights, vents, roof hatches, gutters and other roof accessories.
2. Comply with applicable portions of the: National Roofing Contractors Association: NRCA "Roofing and Waterproofing Manual".
3. Roofing shall be white to reduce the cooling load of the building. Slope of roof shall be not less than 1/2" per ft.
4. Effectively and durably flash roofing edges, parapets, gravel stops, protrusions and similar areas with materials appropriate to the system being used.
5. Install roof-mounted accessories on curbs which are at least 10 inches above the roof surface to permit secure flashing. Take care to insure that drainage is positive, and that equipment condensation drains, if any, are not blocked.
6. Gutters and down spouts to drywells or storm sewer systems shall be installed: 1) over every exterior door to a minimum of three (3) feet each side of the door opening; 2) where roof drainage will occur on sloping berms surrounded by sidewalks; and 3) where drip line is over a sidewalk or a parking lot, likely to create slippery conditions when frozen and hazardous conditions from falling snow pack or ice.

Sealants and Caulking

1. Work of this Section includes elastomeric and non-elastomeric sealants, bituminous sealants, oil-based caulking compounds, compression gaskets, joint fillers, backer-rods, and related products.
2. Sealants and caulking shall meet the appropriate standard as follows:
 - a. Federal Specifications:
 - FS TT-S-001543a: Silicone sealants.
 - FS TT-S- 00230c: One part elastomerics.
 - FS TT-S- 00227e: Two part elastomerics.
 - FS TT-S- 001657: Butyl rubber caulking.
 - FS TT-C- 598b: Oil based caulking.
3. Acceptable generic types of one part elastomeric sealants include silicone, urethane, polyurethane and acrylic.
4. Acceptable generic types of caulking materials include butyl rubber, acrylic latex, and oil based caulking.
5. Use a chemically compatible, non-asphaltic, flexible plastic backing material in conjunction with sealants. Size the backing 30 to 50 percent greater than the width of the joint to be sealed.

Leased Facility Construction Standards

Chapter 4 - Building Envelope

Doors and Frames

1. Work of this Section includes doors for human ingress and egress on the exterior and interior of buildings.
2. Prepare each door and frame for a complete set of hardware prior to installation; refer to Chapter 6, and the Section entitled "Hardware" for additional requirements.
3. Vestibules shall be provided for all building entrances. Entrance vestibule doors shall be single acting, with panic bars. The panic bars on the exterior doors shall automatically lock the doors during non-business hours and can be kept unlocked during normal business hours. Vestibule doors shall be not less than 36 inches wide, and at least 80 inches high. Provide power operator(s) for two sequential vestibule doors. Where there are double doors in line, place a fixed mullion between them. Use a storefront type entry system using 1/4 inch tempered glass held in place by a metal framing system. ADA requirements shall be met.
4. Metal kickplates shall be provided and installed according to specifications in ADAAG and ANSI A117.1-1986, paragraph A4.13.9, Door Hardware. They shall be installed at the base of all general passageways and restroom doors.
5. On exterior doors not normally used for public entry, use standard wood or hollow metal frames in conjunction with metal or solid core wood doors. Doors must not be less than 36 inches wide, at least 80 inches high, and 1-3/4 inches thick.
6. Use interior doors that are solid core wood, not less than 36 inches wide, at least 80 inches high and 1-2/3 inches thick. Doors shall be hung in a standard section wood or hollow metal frame.
7. Use wood doors that meet minimum standards of the latest edition of American Woodwork Institute "Quality Standards."
8. Use doors (except janitorial, electrical and restrooms) opening out onto a corridor or work space that are equipped with a vision light panel with a visible opening of five (5) inches by twenty (20) inches minimum.

Leased Facility Construction Standards

Chapter 4 - Building Envelope

Windows and Storefront Systems

1. Work of this Section includes fixed and/or operable metal and storefront systems. Also includes openings for special applications, such as may be needed for security and sound control.
2. Comply with applicable portions of the following standards:
 - a. American National Standards Institute,
ANSI/AAMA 302.9, "Specifications for Aluminum Windows".
ANSI/NWMA I.S2-79 "Wood Windows".
3. Double glaze all exterior window areas.
4. Check, and adjust moving parts of operable windows and storefront systems in order to result in smooth functioning of slide, rotating handles, locks, and similar mechanisms.
5. Use frames designed to withstand wind loads according to the provisions of Chapter 54 of the "State of Oregon Structural Specialty Code."
6. Use integrated door hardware capable of withstanding extended heavy use.
7. Equip the window system or building with the appropriate supports and tie-offs to accommodate window washing according to Oregon Occupational Safety and Health standards.

Glazing

1. Work specified in this Section includes glazing materials (both glass and plastic) for use in doors, windows, transoms, side-lights, entrances, and storefront systems.
2. Meet or exceed applicable portions of the following standards:
 - a. Flat Glass Marketing Association:
FGMA "Glazing Manual".
FGMA "Glazing Sealing Systems Manual".
 - b. American Society for Testing and Materials:
ASTM C 797, "Recommended Practices and Terminology for the Use of Oil and Resin-Based Putty and Glazing Compounds".
 - c. Federal Specifications:
FS DD-G-451, "Glazing".
 - d. Sealed Insulating Glass Manufacturer's Association: SIGMA "Glazing Recommendations for Sealed Insulating Glass Units".
3. All glazing meet or exceed requirements of Chapter 54 of the "State of Oregon Structural Specialty Code."

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

Woodwork and Trim

1. Work of this Section includes fabricated casework, veneer paneling, plastic laminates, and wood trim exposed to view.
2. Fabricate casework in accordance with the latest edition of the American Woodwork Institute "Quality Standards".
3. When laminated plastic is used on horizontal work surfaces, install standard grade material which has been manufactured by a recognized company.
4. Install woodwork plumb, level, and scribed accurately to walls. Firmly secure to partitions or structural supports, resulting in stable working platforms.
5. Cover window sills with wood trim matching the type and color of the interior doors. Ceramic tile may be substituted for the wood trim, but the color must be coordinated with the surrounding interior colors and approved by the Lessee.

Gypsum Board

1. Work of this Section includes gypsum board used in partition and ceiling assemblies.
2. Use gypsum board products and accessory materials which meet the requirements of the following standards:
 - A. American Society for Testing and Materials:
 - C 36, "Specification for Gypsum Wallboard".
 - C 475, "Specification for Joint Treatment Materials for Gypsum Wallboard Construction".
 - C 514, "Specification for Nails for the Application of Gypsum Wallboard".
 - C 557, "Specification for Adhesives for fastening Gypsum Wallboard to Wood Framing".
 - C 630, "Specification for Water-Resistant Gypsum Backing Board".
 - C 646, "Specification for Steel Drill Screws for the Application of Gypsum Board To Light-gauge Steel Studs".
 - C 840, "Specification for Application and Finishing of Gypsum Board."
 - C 893, "Specification for Type G Steel Screws for the Application of Gypsum Board to Gypsum Board".
 - C 894, "Specification for Type W Screws for the Application of Gypsum Board to Wood Framing".
3. Completed partitions using gypsum wall board or backing board shall be straight and true to a tolerance of 1/4 inch in ten feet horizontally, and a vertical tolerance of 1/8 inch for every ten feet. Inspect rough framing prior to installation of gypsum board in order to insure that this tolerance will be possible to maintain.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

Ceramic Tile

1. Work of this Section includes glazed and unglazed ceramic tile, ceramic mosaic tile, and quarry flooring tile.
2. Use bonding, setting, and grouting materials which meet or exceed applicable portions of the following standards:
 - a. American National Standards Institute:
 - A 108.1, "Glazed Wall Tile, Ceramic Mosaic Tile, Quarry Tile and Paver Tile Installed with Portland Cement Mortar".
 - A 108.4, "Ceramic Tile Installed with Water-Resistant Organic Adhesives".
 - A 108.5, "Ceramic Tile Installed with Dry-Set Portland Cement Mortar or Latex-Portland Cement Mortar".
 - A 108.6, "Ceramic Tile Installed with Chemical-Resistant, Water Cleanable Tile-Setting and Grouting Epoxy".
 - A 118.1, "Dry Set Portland Cement Mortar".
 - A 118.4, "Latex-Portland Cement Mortar".
 - A 136.1, "Organic Adhesives for Installation of Ceramic Tile".
 - A 137.1, "Ceramic Tile".
 - b. The Tile Council of America: "Handbook for Ceramic Tile Installation".
3. Use a method of installation which has been recommended by TCA, and identify the composition of the assembly using TCA "Handbook" designations.

Acoustical Ceilings

1. Work of this Section includes suspended ceiling systems, and acoustical tiles or panels installed directly to a permanent substrate.
2. Materials and workmanship shall conform to applicable portions of the following standards:
 - a. American Society for Testing and Materials:
 - C 635, "Standard Specification for Metal Suspension Systems for Acoustical Tile and Lay-in Panel Ceilings".
 - C 636, "Recommended Practice for Installation of Metal Ceiling Suspension Systems for Acoustical Tile and Lay-in Panel Ceilings".
 - D 1779, "Specification for Adhesive for Acoustical Materials".
 - b. Ceiling and Interior Systems Contractors Association:
 - CISCA "Code of Practices for Acoustical Ceiling System Installations".
3. Acoustical ceiling panels shall have a minimum noise reduction coefficient of 0.65, and a light reflectance value of at least 75 percent.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

Resilient Flooring

1. Work of this Section includes floor tile, resilient sheet goods, resilient base, stair skirting, stair treads and other related flooring accessories.
2. On this Project, use products which have been rated by their manufacturers for use in commercial or heavy duty applications and which requires low upkeep.
3. Protect completed work from damaging construction traffic by using protective walkways or other suitable barriers.
4. Trim all floor coverings with four inch rubber base in color to match.

Carpeting

1. Work of this Section includes carpeting, carpet installation materials and accessories.
2. Meet the following requirements for selected materials, methods of manufacture, and installation:

Broadloom Carpeting:

- a. Construction: Textured Loop Pile
- b. Yarn: 100% Dupont solution dyed DSDN, heathered
- c. Yarn weight: 28 oz. per sq. yd.
- d. Primary backing: Polypropylene
- e. Secondary Backing: Unitary with Action Bac.
- f. Width: 12 ft.
- g. Electrostatic propensity: Less than 3.5 KV
- h. Tuft bind: 20 pound minimum
- i. Flammability: Class I
- j. Lifetime microbial protection
- k. Soil / stain protection
- l. Ten year limited wear warranty.
- m. Lifetime warranty, protecting against edge ravel and delamination.
- n. Carpet manufacturer must warranty the carpet as able to withstand the use of chairs with roller casters without the use of chair pads.

Carpet Tiles & Companion Broadloom:

- a. Modular, 18 x 18 in., or Broadloom 6 ft. system Six, GlasBac or Cushion Bac from Interface or pre approved substitution.
- b. Yarn: 100% Zefron 2000 Nylon
- c. Yarn weight: 26 oz. per sq. yd.
- d. Electrostatic propensity: Less than 3.5 KV
- e. Tuft bind: 20 pound minimum
- f. Flammability: Class 1
- g. Lifetime antimicrobial
- h. Soil / stain protection
- i. Ten year limited wear warranty
- j. Lifetime warranty, protecting against edge ravel and delamination
- k. Carpet manufacturer must warranty the carpet as able to withstand the use of chairs with roller casters without the use of chair pads.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

3. Adhesives

Provide non-toxic "Envirotec #2080 Healthguard Adhesive" by W.F. Taylor Company or approved equal. No formaldehyde drying agents permitted. Adhesive must be compatible with both carpet and the applied surface. Schedule completion of carpet installation at least 72 hours before tenant agency is scheduled to move furniture into space or per manufacturer's recommendations.

4. Preparation

Areas to receive carpet are to be clean, dry, and dust-free. All depressions, cracks and irregularities to be filled with non-shrink epoxy floor patch. All ridges and high spots to be ground smooth to a level floor. Proceeding with carpet installation constitutes installer's acceptance of the responsibility for correction of unacceptable work due to floor conditions. Preparation shall be in accordance with the carpet manufacturers recommendations.

5. Installation

Do not install products which are observed to be defective in any way. Cut carpet in longest lengths possible to avoid cross seams. All seams shall be trimmed and fitted in a good workmanship manner and made by the compression method, no piecing or plugging will be accepted. All seams thoroughly bonded at time of installation with seam adhesive to cut edges at the level of carpet backing. No seams to occur perpendicular to doorways or entries. Parallel seams occurring at doorways shall be centered under door. Roll carpe with 100-pound roller, remove all wrinkles and ensure proper bond. All exposed edges to receive tapered vinyl edge, meeting accessibility requirements. Carpet installation shall be in accordance with the carpet manufacturers recommendations.

6. Finish Condition

All carpet is to be vacuumed and free of debris just prior to tenant occupancy. Carpet is to be free of spots, dirt or adhesive, and be with out tears, frays or pulled tufts.

7. Public waiting areas for where heavy public / client traffic is expected carpet with vinyl backing with moisture barrier shall be used.

Painting

1. Work of this Section includes interior paints, stains, transparent finishes, or other interior coatings. Obtain approval from the Lessee for color selections.
2. Perform the work of this Section to meet or exceed the minimum requirements of the latest edition of the "Painting Specification Guide for the Pacific Northwest", published by the Oregon Council of the Painting and Decorating Contractors Association.
3. Have the painting work inspected as the last item on the "punch list", and make arrangements to touch-up painted surfaces that have been damaged during the course of the work, or which were unfinished due to the sequencing of various installations.

Leased Facility Construction Standards

Chapter 5 - Interior Finishes

4. Use the following chart to identify requirements for finishes:

<u>Description</u>	<u>Painting System</u>
Standard	One coat appropriate primer-sealer, low-odor. Two coat, 100 % acrylic, semi-gloss finish.
Restrooms	One coat appropriate primer-sealer. One coat of two component acrylic epoxy coating system.

Wall Covering

1. Work of this Section includes vinyl coated fabric used for wall covering, and associated installation materials and accessories. Obtain approval from Lessee for selection and color.
2. Use material from the same dye lot for each enclosed room or large open area where wall covering is installed.
3. Overlap and double cut seams on non-matching patterns; butt seams on matching patterns. Work the material well into inside and outside corners, and wrap around at least six inches.
4. Extend wall covering behind running trim and frames. Joints will be permitted at corners only when fabric color, texture, or pattern on the adjacent wall is different. Horizontal joints are not permitted.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Hardware

1. Work of this Section includes operating hardware for doors and windows, weather-stripping, thresholds, automatic operators, and requirements for keying.
2. Ensure that fire rated openings are fitted with hardware which meet the requirements for the degree of fire protection specified. The total opening assembly shall achieve the proper degree of protection.
3. Select and install commercial quality hardware, capable of withstanding extended heavy use. All hardware shall comply with applicable state and local codes, including current Oregon UBC and ANSI A117.1-1986 standards. All door handles shall be lever type handles. Hardware for labeled doors shall be U.L. approved and listed. Review keying requirements with Lessee's representative prior to hardware selection and production of keys. Locksets requiring keys shall be capable of being master keyed or grand master keyed. Acceptable manufacturers of keyed and non-keyed locks are: Schlage, "D Series"; Sargent, "8 Line" or "10 Line"; Arrow, "H Series" or Lessee approved equal. Substitutions must be submitted with the manufacturers' documentation describing general specification, available functions for knobs and levers, and operational characteristics. Manufacturer's service capability in the area of installation shall also be a considered factor in the selection of the hardware manufacturer.
4. Every door opening shall be fitted with stops, silencers, a lock or latch, and if an exterior door, with a threshold, overhead closer, and a full perimeter weather stripping. Install an overhead closer mechanism capable of being adjusted for tension and closing time on exterior doors and doors opening onto an exit corridor. Where sound proofing is required, doors shall be equipped with sweeps or equivalent devices to prevent sound transmission.
5. Equip every operable window with a keyless locking mechanism and complete weather-stripping.
6. Coordinate the surface finishes of various items of hardware with each other and with finishes selected for the remainder of the building.
7. Equip major entry doors with electro-hydraulic type automatic door operators or a special release mechanism in order to facilitate the access of physically handicapped people. If a release mechanism is used, it may be actuated with a push plate or other type of switch mounted near the entry, but must reduce the push-pull resistance of doors to eight pounds or less when activated.
8. Equip only the major building entries with keyed locks. Doors separating divisions, electric rooms, etc., shall also be equipped with lock sets. Coordinate keying with the Division's project manager.
9. Provide a minimum of six keys for each lock. They shall be identified with a door numbering system and individually identified by number in ascending order from 1 to 6.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Toilet Partitions and Screens

1. Work of this Section includes restroom privacy toilet partitions, and urinal screens together with their associated hardware and accessories.
2. Securely fasten anchors of partitions to structure or walls having concealed blocking between supports.
3. Attach a coat hook and bumper on each door of water closet compartments.
4. Use partitions that have a baked-on enamel or plastic laminate surface. Partitions selected for client restrooms shall be vandal resistant.

Flagpoles

1. Work of this Section includes ground-set, slab anchored, or building mounted flagpoles. Tenant agency should be consulted as to the appropriate poles for the flags.
2. Select flagpoles which are constructed from non-corrosive metal alloys, with a uniform conical taper, and equip with standard ball, truck, cleat, and flagsnap fittings. Use halyard manufactured from synthetic materials with vandal-resistant features; flags will be provided by the tenant agency.
3. Coat embedded surfaces of pole with a heavy-bodied bituminous paint. Attach a metal lightning protection rod to the pole and ground.
4. Provide an appropriate pole and mounting for the building site and scale. Free-standing poles shall have minimum height of 20 feet.
5. Provide lighting to illuminate the flag during non-daylight hours.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Identifying Devices

1. Work of this Section includes interior and exterior signage of all kinds, including directories, directional signage for pedestrian or vehicle traffic, and building room identification.
2. Provide signage throughout the facility. Signage shall be carefully and tastefully designed and approved by Lessee. Install directional signs both in the building and on the site in as simple and straight forward a fashion as possible. All signage shall meet ADAAG requirements.
3. Design surface-mounted sign for the building exterior, and place it in a conspicuous location near the entry of the facility. Provide a free standing building identification sign near the main vehicle entry access to the building. Submit details of signs and their locations and obtain the Division's approval before proceeding with fabrication.
4. Mark exterior grounds clearly to show the location of the main building entry, location of parking areas, parking places for physically handicapped person, loading zones, and other special features. Design traffic control signs to promote a logical and simple flow which is consistent with existing vehicular and foot traffic.
5. Select durable, long lasting sign materials which are manufactured from metal, plastic, or preservative treated wood and are appropriate for the finish of the building's location.
6. Identify each major section of the building by name using a durable signage system other than directly painted characters. Letters shall be raised a minimum of 1/32", between 5/8" and 2" high, and meet ADAAG requirements for tactile letter proportions. Letters shall contrast with the background on which they are mounted. Obtain approval from the Division of the signage system and of the room designations before proceeding with installation.
7. Install signs identifying parking stalls for use by physically handicapped persons so that they will not be obscured by a parked vehicle.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Partitions

1. Work of this Section includes both fixed partitions, and other enclosures or dividers which may be relocated, opened, or closed with a minimum of effort (demountable walls).
2. Provide permanent fixed walls extending to the underside of the structure above to enclose all restrooms, mechanical rooms, permanent corridors, lobbies, custodial and utility closets. Construct walls to achieve a sound transmission class (STC) rating of not less than 52.
3. Construct conference rooms and the wall between private offices to achieve a sound transmission class (STC) rating of not less than 42. All other walls shall achieve a rating of not less than 35.
4. Provide folding acoustical partitions with full perimeter seals and a positive acting latch. The finish surface shall be a vinyl-coated fabric or other material approved by the Division and capable of achieving a minimum sound transmission class (STC) rating of not less than 35. Provide 3-1/2" of unfaced fiberglass insulation 3 feet on each side of the mounting track above the ceiling.
5. Construct acoustically rated walls to extend to the underside of the building's structure or have acoustical batt insulation installed over the top of the wall, extending 3'-0" from each side of the wall.

Toilet Accessories

1. Work of this section includes accessories and dispensers for toilet rooms and shall meet ADAAG requirements.
2. Where only one mirror or towel dispenser is provided in a room, locate it within 40 inches from the floor.
3. Provide structural backing in the wall and mount all accessories securely to the wall.
4. Install the following accessories that are required in each rest room:

Description

Requirements

Soap Dispenser

Liquid soap dispenser, wall mounted over each lavatory.

Towel Dispenser

Recessed or wall mounted stainless steel towel dispenser and waste paper receptacle.

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Toilet Paper Dispenser	Dual roll type dispenser; one for each water closet.
Sanitary Napkin Disposal	One in each Women's water closet stall of a wall-mounted or semi-recessed design.
Sanitary Napkin Dispenser	Coin operated model with shelf and adjustable cost feature.
Mirror	Plate glass type with aluminum perimeter frame; 24 by 36 inches minimum.
Toilet Seat Cover Dispenser	One in each compartment.
Grab Bars	Stainless steel bars 1-1/2" diameter, mounted 1-1/2" from face of wall to face of bar mounted to conform with ADAAG requirements.
Coat Hooks	Mounted on each toilet partition door
Shelf	Provide a minimum of one 9" x 24" shelf.
Mop & Broom Holder	Provide one in each janitor room.
Diaper Changing Table	Provide one, wall mounted in each restroom where CSD, AFS or Employment Division are tenants

Food Service Equipment

1. Work of this Section includes installed and free-standing lunchroom equipment.
2. Lunchroom and coffee bar sinks shall be equipped with an instant hot water faucet mounted by or on the sink. Lunchrooms shall be equipped with a refrigerator with a minimum of 14 cubic feet of refrigerator space, and freezing space to accommodate an ice maker; a microwave oven; and space for vending machines with necessary utility hookups (Electrical outlets are standard. Where water hookups are needed, Tenant agency shall specify the requirement).

Leased Facility Construction Standards

Chapter 6 - Specialties, Equipment and Furnishings

Window Treatment

1. Work of this Section includes all types of interior window coverings, controls and hardware, such as shades, shutters, and horizontal louver blinds.
2. Install commercial quality narrow slat horizontal louver blinds where indicated which meet the following requirements:
 - a. Nominal one inch wide aluminum slats.
 - b. One color selected from a range of standard colors.
 - c. Width and height dimensional tolerances of 1/4 inch, maximum, at each edge.
 - d. Braided polyester yarn ladder rungs which support a minimum of 15 slats per foot.
 - e. Control operation: clear plastic twist type wand on the left side, cord lock on right side.
 - f. Equip blinds mounted on inclined windows with stainless steel support wires passing through slats (to prevent sagging of blind), and with retainers for control lines.
3. Lay out horizontal blinds to completely fill window openings, with adequate clearance between sash and blinds to permit unencumbered operation of hardware. If mounted over continuous window walls, space so that ends occur only over mullions or other defined vertical separations.

Furniture and Accessories

1. Work of this Section includes moveable items of furniture, including waste receptacles, and related components.
2. Waiting rooms or reception areas shall be equipped with an adequate number of waste receptacles.
3. Lunchrooms/Employee Lounges shall be equipped with 36-inch square tables, 29 inches high having a single pedestal base that meets ADAAG requirements and a plastic laminate top. Chairs shall be a standard stacking chair with a chrome finished tubular steel frame with an upholstered seat and back. Sufficient tables and chairs shall be provided to accommodate a minimum of one half of the expected staff occupancy. Staff occupancy will be defined in a prospectus exhibit.

Leased Facility Construction Standards

Chapter 7 - Systems

Elevators

1. Work of this Section includes passenger and freight elevators, machinery, controls, and car finishes.
2. Conform the work of this Section to applicable portions of the following standards:
 - a. American National Standards Institute:
 - A 17.1, "Elevators, Dumbwaiters, Escalators, and Moving Walks".
 - A 17.2, "Practice for the Inspection of Elevators, Dumbwaiters, Escalators, and Moving Walks".
 - A117.1, "Specifications for Making Buildings and Facilities Accessible to, and Usable by, Physically Handicapped People".
 - b. ADAAG: Buildings more than one story require an elevator finished in accordance with ADAAG.
3. Submit to the Division, at the conclusion of elevator installation and testing, appropriate operating certificates as issued by the Elevator Safety Section, Building Codes Division, State Department of Commerce.
4. Use elevator finishes, including paint, carpet, and plastic laminate panels color coordinated with finishes selected for the remainder of facility.
5. Design passenger elevators to operate at a speed of not less than 125 feet per minute, with a minimum load rating of 2500 pounds and with a minimum car and door size to meet ADAAG requirements.

Leased Facility Construction Standards

Chapter 7 - Systems

Plumbing Systems, Fixtures, and Trim

1. Work of this Section includes both domestic and service plumbing systems used throughout the Project.
2. Equip water closets, lavatories, and sinks with manual control valves on supply lines, and trim piping accesses to these fixtures with matching escutcheons. Supply each lavatory and sink with both hot and cold water serving a mixer type faucet.
3. Insulate hot water supply lines and other hot lines with molded fiberglass or other approved insulation.
4. List and types of required fixtures:
 - a. Hose bib: frost-proof, minimum of one every 75 feet.
 - b. Water fountain: china or stainless steel with a minimum of one meeting handicapped requirements.
 - c. Lavatories: vitreous china round bowl design with self rimming edge, and single lever fittings supplying a mixer type faucet.
 - d. Laundry type service sink: securely mounted with a high neck faucet.
 - e. Convenience counter sink: single compartment, 20 gauge stainless steel with a number 4 finish, select one having a self rimming design, with minimum dimensions of 25" x 22". All such sinks, shall be equipped with a commercial, instant hot water faucet. All such sinks shall be equipped with undercounter high quality water filters, to achieve pleasant tasting water.
 - f. Commercial water closet to meet ADA requirements, equipped with a flush valve, white color. Installation shall be in accordance with the manufacturer's recommendations.
 - g. Drinking fountains shall be commercial type meeting ADA requirements. Installation shall be in accordance with the manufacturer's recommendations, with solid backing in the wall. Drinking fountains shall be equipped with water filters, to achieve pleasant tasting water.
 - h. Break room sinks shall be equipped with the highest quality residential garbage disposal.

Leased Facility Construction Standards

Chapter 7 - Systems

Fire Protection

1. Work of this Section includes standpipes, fire hose equipment and fittings, sprinkler systems, and fire detection equipment.
2. Comply with applicable portions of the following standards:
 - a. National Fire Protection Association:
 - NFPA 12, "Carbon Dioxide Extinguishing Systems";
 - NFPA 12A, "Halogenated Extinguishing Agent Systems - Halon 1301";
 - NFPA 12B, "Halogenated Fire Extinguishing Agent Systems - Halon 1211";
 - NFPA 13, "Installation of Sprinkler Systems";
 - NFPA 13A, "Care & Maintenance of Sprinkler Systems";
 - NFPA 14, "Standpipe and Hose Systems";
 - NFPA 15, "Water Spray Fixed Systems";
 - NFPA 16, "Foam-Water Sprinkler Spray Systems";
 - NFPA 17, "Dry Chemical Extinguishing Systems".
3. Provide an automatic fire sprinkler system to protect only those areas which are required to have this degree of protection by code. Size the sprinkler system for the occupancy hazard and classification most closely corresponding to the building's actual use. Use wet pipe systems in conditioned spaces, and dry or anti-freeze systems in areas subject to freezing temperatures. Insure that plans and specifications meet the approval of the local fire marshal and insurance agencies having jurisdiction; install in conformance with NFPA 13. Provide extra heads and a sprinkler head wrench using the guidelines found in NFPA 13.
4. Install sufficient portable hand-held fire extinguishers of the multi-purpose dry chemical type suitable for types A, B, and C fires to meet local code requirements.
5. Install adequate Rate of Rise (set temperature activators of water sprinkler heads) and Smoke detectors in rooms specially designed for computer equipment. Detector indicator lights shall be installed outside the room above the entry door.
6. When an alarm system is required by code, comply with the current ANSI standards.

Leased Facility Construction Standards

Chapter 7 - Systems

Heating, Ventilating and Air-Conditioning (HVAC)

1. Work in this Section includes design and installation of the heating, ventilating, and air conditioning system.
2. System Design - The HVAC system shall be design by a registered, professional, mechanical, engineer specialising in HVAC systems, and the HVAC drawings shall bear his or her State of Oregon stamp. The HVAC system shall be designed to meet all applicable local, state and federal regulations and the current American National Standards Institute/American Society of Heating, Refrigerating and Air-Conditioning Engineers, (ANSI/ASHRAE) standard Ventilation for Acceptable Indoor Air Quality.
3. Zones - System shall have the number of zones equal to an allowance of one zone for each 800 square feet of space in the building . The total number of zones so allowed in the building shall include those zones which may be designated by the Lessee/DAS. Each zone shall have it's own thermostat and have the ability to control the heating and cooling in that zone and the ability to maintain the specified temperature within each zone. Lessor shall provide a unit price for each zone so that Lessee/DAS can determine the consequences of adding or deleting a zone to or from the allowed number of zones.
4. Systems - The system shall be a Variable Air Volume (VAV), pressure independent system, with a variable frequency drive(s). Each zone shall be served by a VAV box and a thermostat. The system shall provide reheat coils for the zones on the building perimeter.
5. Controls - The systems controls shall be Direct Digital Controls (DDC). Provide a in building operator's terminal. This terminal shall allow time and holiday scheduling, EMS functions, point trend logging . It shall allow the operator to view and change set-points and schedules from custom made displays. Training on the use of the terminal shall be provided for selected employees. The building operator's terminal shall be placed in the Central voice & Data Control Equipment Room. Zone sensors shall have a manual override button to allow employees to turn on the HVAC for their zone for after hours work.
6. Setback - The controls shall permit a set back of temperature during the non-occupied hours. The controls shall be programmed to bring the space temperature back to 70 - 72 degrees prior to occupancy.
7. People Load - The HVAC system for Conference Rooms and Training rooms shall be designed to cool the room to the set point when the room has its maximum people load.
8. Heating and Cooling Loads - The HVAC system shall be so designed and sized as to satisfy all of the factors contributing to the respective cooling and heating loads of the building and its individual spaces.
9. Supply and Return - An adequate number of air supply and return registers shall be provided to keep a uniform temperature within each space. All enclosed rooms, other than janitor's closets and restrooms shall have both a supply and return connected directly to the HVAC equipment. The building perimeter supply air shall utilize linear slot diffusers.
10. Air to be Exhausted - Smoking rooms, lunchrooms, restrooms, high use copier rooms or other rooms generating smoke or odors shall be exhausted directly to the exterior without recirculation. The system shall be designed to prevent re-introduction of odors and contaminants from these locations.

Leased Facility Construction Standards

Chapter 7 - Systems

11. Heat Generating Equipment - The system shall be designed to accommodate heat generating or computer equipment identified for use in the building by the Division.
12. Central Voice & Data Control Equipment Rooms - Rooms designated to house central voice and data control equipment shall have independent, split-system, air conditioning capable of operating 24 hour a day 7 days a week, and maintaining 68 degrees in the room.
13. Noise - Duct materials and design duct layouts shall be selected to minimize sound transfer into private offices, conference rooms, or other spaces requiring acoustic privacy. Equipment, duct work, grilles and registers shall be designed using ASHRE handbook series to minimize noise. Language from a normal to loud voice shall not be understood from one room to another.
14. Temperatures - At geographical design temperature, the system shall be capable of maintaining the following temperatures during occupied hours: (1) Heating: 70 degrees F; (2) Cooling: 72 degrees F.
15. Outside Air - Outside air dampers shall be controlled by CO2 sensors with an accuracy of 90% or greater in representative areas to maintain the CO2 level in the building at less than 800 parts per million. The CO2 sensors shall remain calibrated for a minimum of five years as manufactured by Engelhard or an approved equal.

Outdoor air intakes shall be located such that there is adequate separation distance between the intake opening and sources of contaminants to prevent the introduction of contaminants. Potential sources of contamination may include but are not limited to cooling towers, garage entries, loading areas, drive-in queue, street, landscaped grade.

16. Air filtration - Provide particulate filters or air cleaners having a minimum efficiency of 60% when tested in accordance with ASHRAE Standard 52.2 for 3 micron particles.
17. Sound levels - The sound level from operation of the systems in any of the areas served shall not exceed 40 db; this shall include sound level from all exhaust fans.
18. Air Quality Assurance Measures - During installation of materials (in either the Lessee's space or areas served by the Lessee's HVAC system), with the potential to emit VOC's (including carpets, adhesives, caulks, sealants, paints, insulations) the HVAC system shall be operated with no recirculation. At the same time, exhaust fans shall be run continuously.

In newly constructed or renovated spaces, the HVAC system shall be operated using 100% outside air for 24 hours a day for at least 7 days following material installation (including carpets, adhesive, caulks, sealants, paints, insulation, etc.) and prior to occupancy.

Leased Facility Construction Standards

Chapter 7 - Systems

HVAC Project Close-out

Lessor/Owner shall require its HVAC/Mechanical contractor to provide: (1) a detailed check list of final start-up testing and inspection of the HVAC system, and (2) the services of a registered professional air balancer to perform the air test and balance of the HVAC system. Lessor shall specify the minimum qualifications for such air balancing firm and require that such firm shall be a member of American Air Balancing Council and has at least two years of experience in performing the work of this type; that the air balancing firm shall provide the necessary instruments, tools and equipment for work specified; and that the instruments to be used in performing the above tests shall be calibrated within the preceding six months.

The test and balance report shall be submitted to the contractor for inclusion in the HVAC Operation and Maintenance Manuals, which shall be maintained by Lessor. The air test and balance reports shall include the following:

1. Test initial velocity and volume at each air supply, return and exhaust terminal, and adjust volumes within 10% of specified air quantity. Adjust air flow pattern to minimize drafts. Mark the final balancing damper position after air flow adjustments have been made.
2. Test the air flow quantities for the following conditions:
 - a. Maximum outside air;
 - b. Minimum outside air.
3. Test static pressure at the supply fan inlets and outlets.
4. Test, adjust and mark the final balancing damper positions.
5. Test thermostat settings and room temperature readings after air flow adjustments have been completed.
6. Identify air handling equipment to be tested and list size, type, manufacturer, air terminals, motor name plate data, and actual running amperes for each fan motor.
7. Test and adjust air supply and exhaust fans to deliver not less than 90% nor more than 110% of total specified volume.

Leased Facility Construction Standards

Chapter 7 - Systems

Basic Materials and Methods for Electrical Systems

1. Work of this Section includes general requirements for electrical equipment and workmanship throughout the entire facility, including lighting, power, signal, communications, and similar systems.
2. Perform electrical work in conformance with generally accepted commercial trade standards, including applicable portions of the following standards:
 - a. National Fire Protection Association, NFPA 70, "National Electrical Code".
 - b. American National Standards Institute C 2, "National Electrical Safety Code".
 - c. Regulations of serving utilities.
3. Provide adequate space for electrical power, signal, and communications equipment within enclosed locked rooms.
4. Test each completed electrical system to verify proper operating conditions, and to insure that each fixture, device, and item of equipment is operating as it was intended. Electrical work must be free of shorts, faults and unintentional grounds.
5. Keep switchgear, transformers, panels, light fixtures and other electrical equipment covered or closed to exclude moisture, dust, dirt, plaster, paint or other contamination. Plug or cap conduit and raceways to prevent entrance of dirt, moisture or foreign material.
6. Lay out circuits in such a way as to eliminate or minimize openings in area separation of walls, fire blocking, and other fire rated construction. Where they are unavoidable, use products inserted into the opening which have been designed to prevent the spread of smoke, flame, and heat.
7. Do not place outlet boxes at opposite sides of partitions back-to-back, and do not use straight-through boxes. Mount transformers, starters, and other noise producing devices in such a way that noise will not be easily transmitted to occupied spaces.
8. Install relays, panels, cabinets and equipment level, plumb, and parallel with structural building lines.
9. Circuit breakers shall be clearly and permanently labeled within the panel. Labels shall indicate the precise area of the building or equipment served.

Leased Facility Construction Standards

Chapter 7 - Systems

10. Unless a dimension locating a particular item is shown on the construction drawings, use the following table. Measuring from the center of the device to finished floor, except when noted otherwise.

<u>Description</u>	<u>Inches</u>
Light switches	48
Convenience receptacles	15
Receptacle over counter	8
Top of panelboards	72
Fire alarm sirens	80 high or 6 from ceiling
Fire call stations	40
Telephone outlets	15
TV outlets	15
Bottom of Clock or Speakers	+84
Intercom call button	+48

11. Provide electrical service for open landscape office areas by power pole drops from the suspended acoustical ceiling, or by other means (such as electrified landscape partitions or undercarpet flat wire systems) approved by the Division.

Leased Facility Construction Standards

Chapter 7 - Systems

Lighting

1. Work of this Section includes interior and exterior light fixtures, lamps, switching, and other related accessories.
2. Fixtures used for office space, break rooms, reception and waiting rooms, shall be 2 x 4 lay-in fixtures, equipped with T-8, 5000 degree Kelvin 80+CRI lamps, electronic ballasts with less than 20% total harmonic distortion with 5-year warranty, and 3 inch deep, 32 cell, full specular louvers, 90% reflective reflectors, on 8 ft. x 8 ft. spacing. Provide enough flex conduit to feed each fixture so that they can be moved one grid in any direction.
3. Provide the following minimum levels of illumination throughout the facility as determined by actual measurements taken at a level between 30 and 42 inches from the finished floor:
 - a. General office facilities: 50 foot candles at desk height.
 - b. Corridors, rest rooms, and other support service areas outside the office area: 10 to 20 foot-candles.
 - c. Special lighting need areas shall be handled either with task lighting or on a case by case basis.
 - d. Outdoor parking facilities: a minimum of 2 foot-candles measured at 5 feet above the pavement. Control fixtures using photo-cells that shut off the fixtures when there is more than 2 foot-candles of natural light.
4. Dimming Fixtures - Conference rooms where audio/visual equipment is to be used shall be equipped with fixtures with dimming ballasts and wall dimming switches.
5. Lighting systems shall be designed in accordance with the State of Oregon "Lighting Standards for Public Buildings". Exit lights shall utilize T-1 lamps producing an average 94 foot lamberts.
6. Fluorescent lamps shall comply with the EPA hazardous waste requirements and pass the Toxic Characteristic Leaching Procedure (TCLP) hazardous waste test, which does not require the lamp to be recycled.
7. Lessor shall replace all fluorescent lamps at the end of their average rated life as stated by the manufacturer, but not more than 5 years.

Emergency Lighting

1. Work of this Section includes battery operated exit lighting for use during periods of temporary power failure.
2. Select equipment which incorporates maintenance free batteries which have been warranted for at least 10 consecutive years of service, and which have integral self-testing mechanisms.
3. Design battery powered emergency lighting in such a way as to illuminate the main entrance area of the facility, exit corridors, stairwells, and exits.

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

Specifications for pre-wiring, installation and termination of voice and data cable:

1. CABLE REQUIREMENTS: For each jack, new station cable shall be provided with the following specifications:
 - a. Two each four pair, unshielded twisted pair, #24 AWG cable shall be used. When required by Uniform Building Code, plenum-rated cable must be used. Each jack location shall contain one white or beige cable and one blue cable. The white or beige cable shall be designated the voice cable and the blue cable shall be designated the data cable.
 - b. The cable shall be Category Five, Belden (#1585A) or AMP (#57248 or 57249), or equal submitted on the standard Construction Specifications Institute Substitution Request form and approved during the bidding/negotiation process. The cable must meet all EIA/TIA/ANSI 568A specifications for Category Five cable.

COLOR CODE:

<u>PR#</u>	<u>Color Combination</u>
1	White/Blue & Blue/White
2	White/Orange & Orange/White
3	White/Green & Green/White
4	White/Brown & Brown/White

c. General

The cable shall be provided on each floor level from the station jack to the nearest telecommunications terminal room in a single run with no splices. Both ends of each cable shall be labeled with a unique identifier such that it may be traced, end to end, with ease.

At each station location, an additional five (5) foot length of both the data and voice cable shall be provided, coiled, and acceptably secured so as not to interfere with work of other trades working in the immediate vicinity of the station location. Installation of the voice/data receptacle fixture and station cabling termination to this receptacle will be as defined in the following paragraphs.

All Horizontal cable shall be run perpendicular or parallel to the building grid lines indicated on the approved drawings. All cable shall maximize usage of the cable management system to minimize cable coming into contact with the suspended ceiling, mechanical, and/or electrical or electrical light system components.

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

d. TERMINAL ROOM

1. Voice: An additional twelve (12) foot length of voice station cable from each station jack location shall be provided and coiled adjacent to the punch down blocks or board within the terminal room. Termination of the voice station cable at the punch down blocks will be by the telecommunications vendor(s).

2. Data: Data cable shall be terminated at the designated patch panel by the cabling vendor. An additional four (4) feet of cable shall be allowed for future movement.

2. STATION EQUIPMENT: Station equipment installation will comply with the following specifications:

a. Workstation Outlets: Workstation outlets will be equipped with single type gang boxes manufactured by AMP Corporation, or double gang boxes where specified. The following parts are to be used:

Parts (AMP):

- 558908-1 Data Connector (RJ45)
- 406091-1 Unshielded Com. Outlet
- 555611-1 telephone Connector(RJ11)
- 558510-1 Single Gang Face Plate KitIf required: Single Gang Box,
- 558251-1 (Kit) Surface Mount
- 558512-1 Double Gang Box Face Plate with Label Window with Icons

b. Terminal Room

1. Data: The data rack and sufficient modular patch panels for the number of cables will be installed in the terminal room to terminate cable from the employee work station. When using a free-standing rack, position it in the room so there is a minimum of 3' on three sides of the rack and 12" on the remaining side. Each data cable must be terminated on the patch panel edge connector using the same color coding standard as the employee workstation.

Rack for Patch Panels

- 7' X 19" EIA Free-standing Rack, Chatsworth #46353-503 or AMP #559260-3
- 35" X 19" X 18" EIA Wall-mounted Universal Swing Gate Rack, Chatsworth (for limited-space applications only)

AMP Cable Management System:

- 1.75" Horizontal Wire Management #559366-1
- Vertical Management Assembly 24.5" high (6 required per rack), #559371-1
- Top Cable Through, black aluminum #559370-1
- Bottom/Middle Cable Through, black aluminum #559369-1

AMP modular patch panel:

<u>Number of Ports</u>	<u>Part Number</u>	<u>Description</u>
16	406363-1	Panel and Kit
32	406365-1	Panel and Kit
64	406367-1	Panel and Kit

Leased Facility Construction Standards

Chapter 7 - Systems

VOICE AND DATA CABLE SPECIFICATIONS

3. CONNECTION SPECIFICATIONS

a. General

The gang box edge connectors for both voice and data cable must comply with the below listed coding. The voice edge connector will be located in the upper or left position, and the data edge connector will be located in the lower or right position.

At the workstation location, the voice cable will be terminated with an RJ 11 modular connector; the data cable will be terminated with an RJ 45 modular connector. AMP modular connector for voice: 555611-1; and data: 558908-1. Both connectors are to be supplied and installed (terminated) by the cabling vendor.

At the terminal room location, the data cable will be terminated with an RJ 45 snap-in connector (AMP #558908-1). The voice cable and data cable edge connectors will be terminated, supplied, and installed by the selected wiring vendor.

When a building has more than one terminal room location, a minimum of 8 wires as listed above with appropriate connectors will originate in the primary terminal room and terminate in the secondary terminal room at the patch panel, with additional 5' at each end. The primary terminal room is that where voice and data service lines enter the building (POP).

When the data line enters the building at a POP other than the terminal room, the cabling vendor will provide appropriate connection from POP to the terminal room.

Upon completion of cabling work, test and certify all runs as meeting all requirements for Category 5 cabling, based on TSB 67 standards, Level 2 Complaint Testers. Such certification shall attest to the fact that all runs are capable of supporting transmission speeds of at least 100 megahertz.

The cabling vendor is required to provide two copies of such certification and supporting test data indicating performance meets Category 5 standards; one copy to the Project Manager for the appropriate state agency and one copy to the Lessee (state agency).

b. Coding Specifications

<u>Position</u>	<u>Color Code</u>	<u>Position</u>	<u>Color Code</u>
1	White/Blue	5	White/Green
2	Blue/White	6	Green/White
3	White/Orange	7	White/Brown
4	Orange/White	8	Brown/White

NOTE: Technical assistance may be available/obtained through the manufacturer and/or distributor.

daslsstd



STAFF REPORT

DATE: March 12, 2021
TO: Jeff Towery, City Manager
FROM: Mike Bisset, Community Development Director
SUBJECT: Hangars D&E Lease Amendment

Report in Brief:

This action is the consideration of a resolution approving a lease amendment with the Airflight Storage Systems Condominium Owners Association (Airflight Condos) for hangars D & E at the airport.

Discussion:

The initial lease with Airflight Condos was entered into in 1997, and is set to expire on June 30, 2032 (see attached 1997 lease document). Per section 23 of the original lease, at the end of the lease period the City had the option of taking ownership of the hangars, or requiring that the lessee remove the hangars and return the lease area to the airport.

In 2017, the City developed a new lease document with different lease renewal terms. The new lease terms allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

Upon adoption of the new lease renewal terms, the Airport Commission and City Council indicated that the City would work with existing tenants to amend their lease(s) to include the new renewal terms. The attached lease amendment modifies the existing lease to include the new renewal terms.

The Airport Commission considered the lease amendment at their meeting on March 2, 2021. The Commission unanimously recommended that the City Council approve the lease agreement.

Attachments:

1. Proposed Resolution 2021-15
2. Proposed Lease Amendment - 2021
3. Hangars D&E Lease - 1997

Fiscal Impact:

The lease revenue is included in the proposed FY21 Airport Fund budget, and is used to fund airport operations.

Recommendation:

The Airport Commission recommends that the City Council adopt the attached resolution approving lease amendment with the Airflight Storage Systems Condominium Owners Association for hangars D & E at the airport.

RESOLUTION NO. 2021 - 15

A Resolution approving a lease amendment with the Airflight Storage Systems Condominium Owners Association for hangars D & E at the airport.

RECITALS:

In 1997, the City entered into a lease with the Airflight Storage Systems Condominium Owners Association for hangars D & E at the airport, and the lease is set to expire on June 30, 2032.

The lease amendment will allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

The Airport Commission considered the proposed lease at the March 2, 2021 Commission meeting, and unanimously recommended that the City Council approve the lease.

The public interest will be best served by entering into the lease for the generation of revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That the lease amendment with the Airflight Storage Systems Condominium Owners Association for hangars D & E at the airport is hereby approved.
2. That the City Manager is authorized and directed to execute the lease amendment.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____

Approved this 23rd day of March 2021.



Council President

Approved as to form:

Attest:

City Attorney

City Recorder

After recording, return to:
City of McMinnville
Attn: Legal Department
230 NE Second Street
McMinnville, OR 97128

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is entered into on this ___ day of _____, 20__ by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as "Lessor"), and **Airflight Storage Systems Condominium Owners Association** ("Lessee").

RECITALS:

In 2005, Lessor entered into a Lease with Lessee to lease from Lessor certain premises located at the McMinnville Municipal Airport ("Lease"). That Lease is recorded with the Yamhill County Recorder's Office as document no. _____.

The parties desire to amend the Lease to include the provisions provided herein.

NOW, THEREFORE, Lessor and Lessee agree as follows:

1. **Option to Renew.** The Lease is hereby amended to add Paragraphs 42 and 43, relating to Lessee's option to renew the Lease, as follows:

"42. Option to Renew. Lessee shall have the right, subject to City approval and subject to Lessee meeting the conditions contained herein prior to the expiration of the Initial Term, to renew this Lease for additional renewal terms of five (5) years each ("Renewal Term"), throughout the useful lifetime of the hangar as determined by the provisions set forth in this Paragraph. Not less than ninety (90) days prior to the expiration of the Initial Term, and each Renewal Term approved under the conditions outlined herein, City shall give Lessee written notice of the pending expiration of the then current Lease term and of the inspection requirements outlined in Paragraph 42.1 of this Lease ("Renewal/Inspection Notice"). Provided Lessee meets all conditions of renewal as outlined herein and is not in default of any Lease provision, Lessee's desire to exercise such right of renewal shall be considered automatic. If Lessee does not desire to exercise the right of renewal, Lessee shall notify the City in writing within thirty (30) days of the date of City's Renewal/Inspection Notice, of the intent not to renew the Lease. Such notice of intent not to renew the Lease must contain an outline of Lessee's plans for removal of the hangar at the end of the existing term in accordance with Paragraph 43 of this Lease.

42.1 Renewal Term Inspection Requirements. Within thirty (30) days of the date of the City’s Renewal/Inspection Notice, Lessee, at Lessee’s sole expense, shall hire an independently licensed professional engineer, architect or building contractor to conduct an assessment and inspection of the hangar based on the criteria set forth herein. Lessee shall cause such inspection and assessment to be completed, and a written report of all findings from the inspection (“Inspection/Assessment Report”) to be filed with the City within sixty (60) days of the date of the City’s Renewal/Inspection Notice to Lessee. Failure of the Lessee to order such inspection and assessment or to provide the City with the Inspection/Assessment Report as required, shall be considered a violation of the Lease, and shall be grounds for denial of the Renewal Term.

42.2 Inspection/Assessment Report. The Inspection/Assessment Report to be provided to the City shall include, but not be limited to:

42.2.1 A detailed list of any maintenance deficiencies found in the interior and on the exterior of the hangar;

42.2.2 A statement verifying Lessee’s compliance with current City of McMinnville Municipal Code Airport Property Regulations and the McMinnville Municipal Airport’s adopted Minimum Standards for Commercial Aeronautical Activities, including the limits on storage of hazardous materials and appropriate usage of the Property; and

42.2.3 A structural assessment as to the remaining useful life of the hangar and recommendations for improvements which would increase the useful life expectancy of the hangar.

42.3 Deficiencies Satisfied. Lessee shall satisfy all deficiencies identified in the Inspection/Assessment Report within thirty (30) days of the date of such report. If deficiencies require more than thirty (30) days to correct, Lessee may make a written request to the City Manager for an extension of the standard correction time. The City Manager shall not unreasonably deny the extension. Failure of Lessee to correct each reported deficiency will result in ownership of the hangar reverting to the City.

42.4 Appeal of Deficiencies. If Lessee objects to a deficiency identified in the Inspection/Assessment Report, Lessee may file a written appeal with the City Manager. Such appeal must be submitted to the City Manager within ten (10) days of the date of the Inspection/Assessment Report.

42.5 Approval of Renewal Term. Upon Lessee’s completion of all conditions precedent to the commencement of the Renewal Term, including, but not limited to, the satisfactory correction of all deficiencies identified in the Inspection/Assessment Report, the City shall approve the extension of the Lease for one five-year Renewal Term, or for less than a five-year Renewal Term if the Inspection/Assessment Report reflects the conclusions outlined in the following Paragraph 42.6.

42.6 Final Renewal Term; Removal of Hangar. In the event the Inspection/Assessment Report results in a finding that the anticipated remaining useful life of the hangar is five (5) years or less, the pending Renewal Term shall be deemed to be the last Renewal Term available under this Lease (the “Final Renewal Term”). In such event, Lessee shall agree, as a condition to approval of the Final Renewal Term, to remove the hangar, at Lessee’s expense, at the end of the Final Renewal Term. If the Lessee does not agree to remove the hangar at the end of the Final Renewal Term, the City shall deny the request to renew and Lessee must remove the hangar and surrender the Property to the City within thirty (30) days of the expiration or termination of the Renewal Term then in effect. If Lessee fails to remove the hangar as required, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.

42.7 Compliance with Airport Policy. Notwithstanding any other provision of this Lease, any part of this Paragraph 42 shall be amended as necessary to comply with any Airport policy adopted by the McMinnville City Council following recommendation of the City’s Airport Commission, or its successor, provided that, no such amendment shall shorten a renewal term in effect on the date of policy adoption, or require Lessee to expend additional moneys on hangar improvements during the Renewal Term in effect on the date of policy adoption.

43. Return Of Property At The End Of The Lease. Upon the expiration or termination of this Lease, Lessee shall remove the hangar at Lessee’s sole expense, and surrender the property to the City within thirty (30) days of the date of expiration or termination of the Lease. If Lessee fails to remove the hangar, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.”

2. **Compliance.** The Lease is hereby amended to add Paragraph 44, relating to Lessee’s compliance with federal, state, and local laws and regulations, as follows:

“44. Compliance with Laws and Regulations. Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules, and regulations promulgated and/or enforced by Lessor or by other proper authority having jurisdiction over the conduct of operations at the airport, and to do all things necessary to stay or become in compliance with the same. Lessee further specifically agrees to comply with all requirements of the Federal Aviation Administration (FAA), including but not limited to, those requirements originating out of the City of McMinnville’s relationship with the FAA, or which find their origin in relation to grants or other contractual arrangements between the City of McMinnville and the FAA.

Lessee understands and agrees that the right of ingress and egress to runways, taxiways, and aprons, now and hereinafter designed by Lessor shall be subject to all Airport

Rules and Regulations, Minimum Standards, laws, regulations, grant obligations, policies and ordinances now or hereinafter adopted, and that the use of said runways, taxiways and aprons shall be in common with others and that the same shall not be obstructed by Lessee or closed to the right of use or travel by others. Lessor shall provide notice to Lessee prior to any amendments to said documents, the most current versions of which may be obtained from the Airport Manager.

Lessor reserves the right to amend this lease to conform with any changes in Municipal, State or Federal laws, rules, regulations and ordinances. If at any time it is discovered that the provisions of this lease violate or are in any way inconsistent with current or later enacted Municipal, State or Federal laws, rules, regulations, ordinances, FAA policies, orders, advisory circular documents, grant obligations/assurances, or with any obligation the City of McMinnville may have with respect to the FAA, Lessor shall have the right to amend this lease as necessary to make this lease agreement consistent therewith.”

3. **Construction.** The Lease is hereby amended to add Paragraph 45, relating to construction at the McMinnville Municipal Airport, as follows:

“**45. Construction Activities.** Tenant’s use of the Premises and/or Airport may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Premises and/or Airport due to the aforementioned activities.”

4. All of the other terms and conditions of the Lease shall remain in full force and effect, as therein written. Unless otherwise defined herein, the defined terms of the Lease shall apply to this First Amendment.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Lease effective as of the date first above written.

LESSOR:

ACCEPTED on behalf of the public and Lessor by the City of McMinnville, Oregon:

Jeff Towery, City Manager

STATE OF OREGON)
) ss.
County of Yamhill)

This instrument was acknowledged before me on _____, 20__,
by Jeff Towery, as City Manager of the City of McMinnville.

Notary Public – State of Oregon

APPROVED AS TO FORM:

Amanda Guile-Hinman, City Attorney

LESSEE:

Airflight Storage Systems Condominium Owners Association

By: _____

Print Name: _____

As Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 20__, by Graham Goad who personally appeared before me, was identified by satisfactory evidence, and acknowledged that he executed the instrument as the authorized agent of Airflight Storage Systems Condominium Owners Association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Notary Public – State of Oregon

LEASE

The parties hereto are the CITY OF McMinnville, a municipal corporation of the State of Oregon, Landlord, and MICHAEL SHEETS CONSTRUCTION, INC., Tenant. Under the terms and conditions of this Lease, "Tenant" shall also mean any condominium owners' association composed of condominium unit owners using and occupying the real property herein pursuant to the terms and conditions of a condominium declaration and bylaws approved by the Landlord.

FOR AND IN CONSIDERATION of the mutual covenants hereinafter contained, the parties agree as follows:

1. **Lease and Description.** Upon the terms and conditions hereinafter set forth, the Landlord does hereby lease to Tenant and the Tenant does hereby lease from Landlord those certain premises situated in the City of McMinnville, County of Yamhill, State of Oregon, being a part of the McMinnville Municipal Airport, and being described as follows:

See legal description attached hereto as Exhibit A

herein called "premises." The Tenant shall construct improvements on the premises, which improvements shall remain the property of the Tenant, its successors and assigns, during the term of this Lease.

2. **Business Purpose.** The premises are to be used for the construction and use of aircraft hangar buildings and facilities, which shall be organized, sold and owned as leasehold condominium aircraft hangar units. The sale and ownership of condominium units shall be subject to and pursuant to this Lease, and shall not in any way be interpreted as creating or vesting a fee ownership interest in the Tenant or any unit owners in the premises. For the purpose of this Lease, the right to sell and own condominium units shall not be limited by any provisions of this Lease pertaining to subletting, assignment or renting of the real property, as the parties contemplate ongoing lease status between Landlord and Tenant, as condominium declarant, succeeded by a condominium owners' association.

The aircraft hangar buildings and leasehold condominium units therein are to be used for aeronautical purposes and specifically for the purpose of parking and storing aircraft, non-commercial construction of small aircraft, and for maintenance and other routine activities associated with aircraft ownership. The owners and occupants of units shall not engage in any other use of the premises without prior written consent from Landlord. Unit owners may park their automobile within their unit while using their aircraft.

3. **Term.** The term of this Lease shall be for thirty-five (35) years, commencing July 1, 1997, and ending at midnight on June 30, 2032.

4. **Rent.** The rent for said premises for the first year of this Lease, commencing upon execution hereof, shall commence at the annual rate of \$0.1645 per square foot, with the entire lease consisting of 13,340 square feet. Such rent shall be paid to Landlord annually on the first day of July, and shall be mailed or delivered by hand to Landlord's Clerk at City Hall, 230 NE Second Street, McMinnville, Oregon 97128, unless a different address is specified in writing by Landlord. The initial rate of \$0.1645 shall be adjusted on September 1, 1997 to reflect the CPI-W for Portland, Oregon for the period of 1 July through 30 June, 1997.

a. **Future Rental Periods.** Commencing on July 1, and once every year thereafter, the annual rental sum shall be adjusted based upon the CPI-W for Portland, Oregon, for the period July 1 through June 30 preceding such determination; PROVIDED, that the rent for said rental period shall not be more than ten percent (10%) higher than the rent fixed for the prior calendar year. Landlord shall bill tenant on or about 1 September for the year's total amount. Rent will not be considered late if paid within 30 days of billing.

b. **Late Charges.** The annual rent shall be due and owing as of the first day of each lease-year, commencing July 1, 1997. In the event rent is not timely paid, Landlord may assess, and the Tenant shall pay upon any installment of rent or portion thereof not paid within ten (10) days after such rent installment is due and payable, a late charge penalty for each month or fraction thereof during which the rent or a portion thereof is not paid, equal to five percent (5%) of the amount of such rent or portion thereof (plus accrued late charge penalties, if any) due and payable, or, if the rent due and owing is not paid within 10 days after becoming so due and owing, Landlord, at Landlord's election, may terminate this Lease in its entirety. The amount of the late charge penalty shall be added to the amount due each month, and the total thereof shall be subject to a late charge for each succeeding month or fraction thereof in the amount of five percent (5%) of the total.

5. **Assignment of Lease; Release of Lessee.** The Lessee/Tenant, MICHAEL SHEETS CONSTRUCTION, INC., shall be succeeded as Lessee/Tenant by a condominium association composed of leasehold condominium unit owners at the time set out in the declaration and bylaws of condominium ownership and by the Oregon Condominium Act. Only the condominium association, and not the individual units owners, shall succeed MICHAEL SHEETS CONSTRUCTION, INC. as lessee/tenant. The Landlord, with the intention of discharging the business and personal liability of the initial Lessee/Tenant, MICHAEL SHEETS CONSTRUCTION, INC., and the individual partners thereof, their heirs, executors, and administrators, shall release Lessee/Tenant, MICHAEL SHEETS CONSTRUCTION, INC., from all liability with respect to the rent reserved by and the covenants, conditions, and stipulations contained in this Lease, and all actions, proceedings, claims and demands with respect to any breach, whether present or future, of any such covenants, conditions, and stipulations. Said release shall occur automatically upon the assignment to the condominium owners' association provided Lessee/Tenant gives Landlord written notice of the assignment that contains the name and address of the condominium's business agent and the names and addresses of the owners at the time of transfer.

6. **Building Construction on Premises.** Any building construction proposed on the premises shall be approved by the Landlord. Any buildings so constructed shall be done strictly in accordance with full plans and specifications, including drawings and elevations showing the appearance and color of the finished building, to be filed with the Landlord prior to commencing construction. The building(s) shall be placed upon the lot at the location shown on the plot plan submitted to the Landlord or its designated official, which must be first approved by the Landlord's City Manager. Any excess soil from this construction shall be removed from the site by the Tenant to a location determined by the Landlord's designated official. All buildings shall be used for the business purpose(s) set forth in paragraph 2 of this Lease.

a. Unless construction of the building to be located upon Parcel "A," as set forth in Exhibit A to this Lease, is commenced within one hundred eighty (180) days of the date this Lease is executed and the initial building completed within one hundred eighty (180) days after commencement of construction, the Landlord shall have the right upon giving sixty (60) days' written notice to the Tenant to terminate this Lease. In the event of such termination, the Landlord may retain all rents therefor received by it, and all rights of the Tenant shall absolutely terminate. In the event any rent is owing by the Tenant at the effective date of termination pursuant to said notice, the Tenant shall pay said rent within ten (10) days of said effective date. It shall be the responsibility of the Tenant to secure at Tenant's sole expense all permits and approvals required for the use of the premises and construction of any building thereon.

7. **Clearing and Grading Premises.** The Tenant shall perform at the Tenant's own expense any clearing or grading of the premises required. Grading and clearing shall be done to such standards and on such grades as the Landlord may require. The Tenant shall secure any grading permit that may be required prior to commencement of any grading.

8. **Repairs.** The premises have been inspected and are accepted in their present condition, and Tenant will at all times keep the premises neat, clean and in a sanitary condition, and will replace any glass of all broken windows and doors of the building as may become cracked or broken, and except for reasonable wear and tear and damage by fire or other unavoidable casualty, will at all times present said premises in a good repair as they now are or may hereafter be put to. All repairs shall be at Tenant's sole cost and expense.

9. **Utilities.** The landlord shall provide initial power and water services hook-up to the premises at Landlord's expense. The Tenant hereby covenants and agrees to pay all monthly or other regular charges for heat, light and water, and for all other public utilities which shall be used in or charged against the leased premises during the full term of this Lease. Tenant is responsible for providing temporary utilities to the site for a period of 180 days from the date a building permit is issued for construction of the hangars. Landlord agrees to cooperate in the acquisition of temporary hookups. Landlord agrees to provide service after the expiration of the 180-day period. Tenant shall pay for and install drainage utilities as required for the site.

10. **Taxes.** The tenant hereby covenants and agrees to pay all property and other taxes that are assessed against the premises during the full term of this Lease. Taxes shall be paid not later than November 15 of each tax year commencing with the first tax statement received by Tenant.

11. **No Occupancy of Building(s) Prior to Issuance of Certificate of Occupancy.** The tenant shall not occupy or use any building hereafter erected on the premises until a certificate of occupancy thereof shall have been issued.

12. **Care of Premises.** The Landlord shall not be called upon to make any improvements or repairs of any kind upon said premises and said premises shall at all times be kept and used in accordance with the laws of the State of Oregon and ordinance of the City of McMinnville, and in accordance with all directions, rules and regulations of the health officer, fire marshal, building official, or other proper officer of any pertinent and authorized public authority, at the sole cost of expense of the Tenant. The Tenant will commit or permit no waste, damage, or injury to the premises and, at Tenant's own cost and expense, will keep all drainage pipes free and open and will protect water, heating, and other pipes so that they will not freeze or become clogged, and will repair all leaks, and will also repair all damage caused by leaks or by reason of the Tenant's failure to protect and keep free, open, and unfrozen any of the pipes and plumbing on said premises.

13. **Use.** The Tenant shall conduct and carry on in said premises only the business for which said premises are leased, and shall not use the premises for illegal purposes.

14. **Liens and Insolvency.** Tenant shall keep the leased premises and the property in which the leased premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. If the Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for the business of the Tenant, the Landlord may cancel this Lease at the Landlord's option.

15. **Assignment and Subletting; Sale of Condominium Units.**

a. **Assignment.** This Lease may be assigned by the Tenant in whole only and not in part, and only with the prior written consent of the Landlord.

In the event of an assignment, such assignment may only be made to an assignee for a use of the premises as set forth in paragraph 2 of this Lease.

Subject to the provisions of paragraph 5 herein, the assignee must be shown to the Landlord to be of such financial standing and responsibility at the time of such assignment as to give reasonable assurance to the Landlord of prompt payment of all rents and other amounts to be paid under this Lease, and of full compliance with all other terms, covenants, conditions, and provisions of the Lease. No such assignment may be made or be of any force or effect if at the time of such assignment the Tenant is in default in any of the terms, covenants, conditions, and provisions of the Lease, including default in the payment of rent; PROVIDED, HOWEVER, the assignee may cure the default(s) prior to taking possession of the premises. No such assignment for any purpose shall be of any force or effect unless the Landlord first shall have consented, in writing, to said assignment and has received a true copy of the proposed assignment. The Landlord may refuse to consent to such assignment for any purpose hereinabove set forth. Such assignment shall include the then unexpired balance of the term of this Lease.

The requirements of this subsection shall not apply to the sale and ownership of leasehold aircraft hangar condominium units, nor to the assignment to the condominium owners' association as set forth in paragraph 5.

b. **Subleases.** The Tenant may sublet the whole or any portion of any buildings on the premises, but not the real property (other than that part of the real property which is beneath the buildings), to a subtenant or subtenants; provided: (1) the Landlord has given its consent in writing prior to the sublease being effective and (2) the Landlord has received a true copy of the proposed sublease.

The requirements of this subsection shall not apply to the sale and ownership of leasehold hangar condominium units or the assignment to the condominium owners' association set forth in paragraph 5 and shall not limit the ability of the Tenant to structure the sale of units and assignment of this Lease as described herein.

c. **Rentals.** The Tenant may rent hangar space for the purposes described in paragraph 2 of this Lease on a month-to-month basis to subtenants of the condominium unit owners, provided: (1) the Tenant submits and receives Landlord approval of the proposed rental space; (2) the Tenant enters into hangar rental agreements only upon forms pre-approved by the Landlord; (3) the Tenant keeps the Landlord informed of the name, address, telephone number and aircraft registration number of all current hangar subtenants; (4) the Tenant charges monthly hangar rental fees no less than the rates now or in the future charged by the Landlord for comparable hangars; (5) the Landlord reserves the right to object for cause to any specific hangar rental subtenant and reserves the right to require the Tenant to terminate the hangar rental agreement of such objectionable subtenant within sixty (60) days of notice of objection.

The requirements of this subsection shall not apply to the sale and ownership of leasehold aircraft hangar condominium units, nor the assignment to the condominium owners' association set forth in paragraph 5.

d. **Sale of Condominium Units.** The parties anticipate that the aircraft hangars will be organized, sold and owned as leasehold condominium units, as defined in paragraph 2 herein. The leasehold condominium shall be occupied by units, defined to mean a physical portion of the condominium designated for separate ownership. The boundaries of a unit are the interior surfaces of its perimeter walls, floor, and ceilings as defined in the Oregon Condominium Act. The unit includes both the portion of the building so described, the air space so encompassed, the interior partitions, and other fixtures and improvements within the boundary of the unit. "Separate ownership" includes leasing a unit in a leasehold condominium under a lease that expires contemporaneously with any lease, the expiration or termination of which will remove the unit from the condominium. "Separate ownership" also includes ownership of a leasehold condominium under a form of ownership expiring with the expiration of the Lease.

Unit Owners shall use and occupy the units. "Unit owner" is defined to mean a Declarant or other person who owns a unit or leases a unit in a leasehold condominium under a lease that expires simultaneously with any lease, the expiration or termination of which will remove the unit from the condominium, but does not include a person who has an interest in a

unit solely as security for an obligation. "Unit owner" means the vendee, not the vendor, of a unit under a real estate contract.

The Tenant may market and sell leasehold condominium units to purchasers who will own said units subject to this Lease. The Tenant shall keep the Landlord apprised, on an annual basis, of a list of names and addresses of all condominium owners.

e. **Default.** If all or any part of the leased premises are sublet or occupied by anybody other than the Tenant or members of a condominium association or condominium unit owners, the Landlord may, after default by the Tenant, collect rent from any and all subtenants or occupants, and apply the net amount collected to the rent reserved herein, but no such collection shall be deemed a waiver of agreement, term, covenant, or condition hereof, nor the acceptance by the Landlord of any subtenant or occupant as tenant.

16. **Access.** The Tenant will allow the Landlord or the Landlord's agents free access at all reasonable times and upon at least twenty-four (24) hours' notice to said premises during normal business hours for the purpose of inspection. Nothing herein shall be construed in any way as limiting the authority of the Landlord's building official under existing law.

17. **Liability Insurance.** Tenant shall at all times carry and maintain liability insurance in a company or companies rated in the current edition of Best's General Ratings as at least A (Excellent), and Financial Size Category of not less than Class X, or in such other company or companies not so rated which may be acceptable to Landlord, insuring Tenant against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts or negligence of the Tenant, its agents, employees or servants, or by any means of transportation whatsoever, including owned, non-owned and hired automobiles, to the extent required by the Oregon Tort Claims Act, as now in existence or as amended hereafter. Landlord shall be named in all such policies as an additional insured, and duplicate true certified copy of the original of such insurance policy or policies shall be furnished to Landlord. Each such policy shall provide that the policy may not be canceled without the company first giving Landlord at least thirty (30) days' written notice.

18. **Accidents - Indemnity.** All personal property on said leased premises shall be at the risk of the Tenant. Landlord shall not be liable for any damage, either to person or property, sustained by the Tenant or others, caused by any defects now at said premises or hereafter occurring therein, or due to the condition of any buildings hereafter erected to any part or appurtenance thereof becoming out of repair, or caused by fire, or by the bursting or leaking of water, gas, sewer, or stream pipes, or from any act or neglect of Landlord, its employees, its elected and appointed officials, tenants or other occupants of said buildings, or any other persons, including the Landlord, or due to the happening of any accident from any cause in or about said buildings. Tenant covenants to protect, save, and indemnify Landlord, its elected and appointed officials, and employees while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Tenant's employees or third parties on account of personal injuries, death, or damage to property arising out of the premises leased by the Tenant or in any way resulting from the willful or negligent acts or omissions of the Tenant and/or its agents, employees, or representatives.

19. **Fire Insurance.** The Tenant shall at all times and during construction carry at its own expense fire insurance, hazard insurance, and vandalism and malicious mischief fire insurance on all buildings existing or hereafter constructed on the premises acceptable to the Landlord, which policy or policies shall name the Landlord as an additional insured, and to the extent of at least eighty percent (80%) of value. The original policy, a duplicate certified true copy, or such other evidence of insurance as the Landlord shall have agreed in writing to accept, shall be on deposit with the Landlord's Clerk at all times during the term hereof. Each such policy shall provide that the policy may not be canceled without the company first giving the Landlord at least thirty (30) days' prior written notice. No such policy shall contain a deductible clause greater than ONE THOUSAND DOLLARS (\$1,000) per claim. In the event of loss, the Tenant shall pay such deductible sum.

20. **Application of Fire Insurance Proceeds in Event of Loss.** If any building of the premises is totally destroyed by fire, earthquake or other casualty during the term of this Lease, and if the Tenant desires to rebuild, the proceeds of the insurance shall be used for the purpose of rebuilding such building. If the Tenant elects not to rebuild, the proceeds of any insurance shall be payable on a pro rata basis to the Landlord and Tenant based upon the total number of years in the term of this Lease and the number of years remaining. For example, if the Tenant has ten (10) years remaining on the thirty five year lease term, the Tenant will receive 10/35 of the proceeds and the Landlord 25/35 of the proceeds. In the case of partial destruction, the proceeds shall be used for repairing the damage. The Tenant shall give notice of loss immediately and notice of intention to rebuild within sixty (60) days of loss. If the Tenant fails to give notice of intention to rebuild within the time specified, the Landlord shall then have the option to rebuild and shall give the Tenant notice in writing of such intention within one hundred twenty (120) days after receiving written notice of loss from the Tenant, subject to such policy conditions governing the replacement cost provisions therein. If either the Landlord or the Tenant elects to rebuild as above provided, such party shall prosecute the work of such rebuilding or repairing without delay. If both the Landlord and Tenant fail to give notice of intention to build as aforesaid within the times specified, both the Landlord and Tenant shall have the right to declare this Lease terminated by written notice served upon the other party by mail as provided in paragraph 22 herein. It is understood that if the Tenant sublets the premises and passes the expense of fire, earthquake or other casualty insurance or of liability insurance on to the subtenant, then Tenant will require all insurance policies to name both the Landlord and Tenant (but as Landlord thereunder) as insured parties as required above, as their interests may appear.

Likewise, upon the formation of condominium association, wherein the expense of fire, earthquake or other casualty insurance, or of liability insurance is passed on to the association, representing the collective interests of unit owners, then the Tenant and/or the association shall make certain that all insurance policies name the Landlord, the association and all individual unit owners as insured parties as required above, as their interests may appear.

Any sublease and condominium declaration shall reflect the provisions of this Lease as to the selection of the insurer and the amount and nature of coverage.

In the event of the loss or destruction of the building improvements where the Landlord and Tenant agree not to rebuild or repair, this Lease shall terminate, and rent for the premises

shall abate. Any rents paid for a given rent term shall be prorated, with rent for the balance of such term refunded to the Tenant. If the Landlord and Tenant are unable to agree regarding the rebuilding of any improvements lost or destroyed and the disposition of insurance proceeds therefor, the parties shall submit the matter to an arbitration committee consisting of three persons, one selected by the Landlord, one selected by the Tenant, and the third appointed by the senior judge of the Circuit Court for Yamhill County. The parties may select any such alternative arbitrators, arbitration committee, or method as agreeable between the Landlord and Tenant. The decision of the majority of said arbitrators shall be binding upon the Landlord and Tenant, unless successfully modified by a court of law.

21. **Recovery of Leased Premises.** The Landlord is authorized to recover the leased premises from the Tenant in the event that the Airport Commission for the City of McMinnville determines the premises are required for another airport purpose. In the event such a determination is made, the Landlord elects to recover the premises, Landlord shall compensate Tenant for the value of the remainder of this Lease and the improvements constructed on the premises. Landlord and Tenant agree to each retain an MAI appraiser to determine the value of the remainder of this Lease and the improvements on the premises. If those appraisers are unable to agree on the value, a third appraiser shall be appointed by the senior judge of the Circuit Court for Yamhill County and that appraiser's valuation shall be conclusive and binding upon both parties. The value of the improvements shall be pro-rated based upon the remaining length of this Lease.

22. **Tenant's Right of Cancellation.** In addition to any other remedies available to the Tenant, this agreement shall be subject to cancellation by the Tenant should any one or more of the following events occur:

a. **Abandonment of Airport.** The permanent abandonment of the airport as an operating airport by act or decision of the Landlord;

b. **Supervening Event.** The occurrence of any supervening event or act of God which precludes the Tenant, condominium unit owner, and any assigns of the Tenant and unit owners, from the use of the property for the purposes enumerated herein or from the use of airport facilities; however, neither tenant nor Landlord shall have any liability under this subparagraph for any supervening event or act of God under any theory on which recovery may be sought;

c. **Landlord Breach of Lease.** The breach by the Landlord of any of the covenants, terms, or conditions of this agreement to be kept, performed, and observed by the Landlord and the failure to remedy such breach within a period of sixty (60) days after written notice from the Tenant of the occurrence of the breach;

d. **Federal Government or Other Governmental Agency Control.** The assumption by the federal government or any other governmental agency of the control of the airport or any portion thereof which would preclude the Tenant from operating under the terms of the Lease. (Landlord shall have no liability for loss of use occasioned by act of the federal government or any other government agency.)

23. Ownership of Constructed Improvements After Termination of Lease.

During the pendency of this Lease, all buildings and improvements on the property shall be owned entirely by the Tenant and its successors and assigns. Subject to the right of the Tenant's financing institution to assume the Tenant's rights and obligations herein, in the event of the Tenant's default to said financing institution, upon termination of this Lease the building, alterations, additions, and improvements made by the Tenant to the property shall become the sole property of the Landlord, and the ownership of said improvements shall be vested in fee simple in the Landlord, subject to the recorded rights of any financing institution for the remaining lease and sublease terms. Upon termination of this Lease, the Landlord may elect to accept the premises or may, upon reasonable notice to the Tenant, require the premises to be surrendered in the same condition as existed at the time of execution of this Lease. Upon termination of this Lease, the premises shall be surrendered without notice in a neat and clean condition. All keys to all buildings on the premises shall be surrendered to the Landlord.

The Tenant may install in the leased premises such fixtures and equipment as the Tenant deems desirable at the Tenant's own expense. All such items shall remain the Tenant's property and may be removed by the Tenant at or before termination of this Lease, PROVIDED that the Tenant shall repair any damage to the premises caused by such removal.

24. Notice. All notices and consents hereunder shall be given in writing, delivered in person or mailed by certified mail, postage prepaid, to the receiving party at its address below, or to such other address as the receiving party may notify the sender beforehand referring to this Lease:

LANDLORD: CITY OF McMinnville
230 NE Second Street
McMinnville OR 97128

TENANT: MICHAEL SHEETS CONSTRUCTION, INC.
8515 SE Three Trees Lane
Amity OR 97101

25. Governmental Fees. All fees due under applicable law to the City, County, or State on account of any inspection made on leased premises by any officer thereof shall be paid by the Tenant.

a. **Signs.** All signs and symbols placed in the windows or doors or elsewhere about the premises, or upon the exterior part of the buildings, shall be subject to the approval of the Landlord or Landlord's agents. In the event the Tenant places signs or symbols on the exterior of said buildings or in the windows or on doors or elsewhere where they are visible from the street that are not satisfactory to the Landlord or Landlord's agents, the Landlord or Landlord's agents may immediately demand the removal of such signs or symbols, and the refusal of the Tenant to comply with such demand within a period of twenty-four (24) hours will constitute a breach of this Lease, and entitle the Landlord to immediately recover possession of said premises in the manner provided by law. Any signs so placed on the premises shall be so placed upon the understanding and agreement that the Tenant will remove the same at the termination of the tenancy herein created and repair any damage or injury to the premises caused

thereby, and if not so removed by Tenant, then the Landlord may have the same removed at Tenant's expense. In installing any signs, the Tenant shall conform to all requirements of applicable laws and regulations and pay applicable fees.

26. **Default and Re-Entry.** Unless resulting from events enumerated in paragraphs 19, 20 or 22 herein, if any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if the Tenant shall violate or default in any of the covenants and agreements therein contained, then the Landlord may cancel this Lease upon giving 120 days' notice and re-entering said premises, but notwithstanding such re-entry by the Landlord, the liability of the Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and the Tenant covenants and agrees to make good to the Landlord any deficiency arising from a re-entry and re-letting of the premises at a lesser rental than herein agreed to.

27. **Costs and Attorney's Fees.** If, by reason of any default on the part of either party, action is taken, whether or not a lawsuit is filed, to enforce any provision of this Lease or to recover for breach of any provision of this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees and costs in such amount as is fixed by the court, and all costs and expenses incurred by reason of the breach or default by the other under this Lease.

28. **Breach of Lease by Tenant.** In the event of breach of any condition or term contained herein by Tenant, in addition to the terms of the agreement, the Landlord shall have the right to terminate this Lease upon giving written notice by certified or registered mail to Tenant at the current address. Failure or neglect of Landlord to act upon the breach of one or more breaches of this Lease shall not constitute or be construed as a waiver of subsequent breach by Tenant of any kind whatsoever that is created by Tenant or by individual condominium owner.

29. **Nonwaiver of Breach.** The failure of either party to insist upon strict performance of any of the covenants and agreements of this Lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such strict performance or of the exercise of such option, or any other covenants or agreements, but the same shall be and remain in full force and effect.

30. **Removal of Property.** In the event of any entry on or taking possession of the leased premises as aforesaid, the Landlord shall have the right, but not the obligation, to remove from the leased premises all personal property located therein or thereon and may store the same in any place selected by Landlord including, but not limited to, a public warehouse, at the expense and risk of the owners thereof. Unless otherwise provided by law, Landlord shall have the right to sell such stored property, without notice to the Tenant after the property has been stored for a period of at least sixty (60) days, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof; the balance, if any, to be paid to Tenant.

31. **Heirs and Successors.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be binding upon and inure to the

benefit of the heirs, executors, administrators, legal representatives, successors, and assigns of any of all of the parties hereto, including condominium unit owners. The Landlord acknowledges that a condominium owner's association shall succeed the Tenant/signatories to this Lease. The Landlord hereby agrees to such succession of interest and covenants that upon the formation of the condominium owner's association, the association shall be responsible and liable to perform all terms and conditions of this Lease, and that the Lease shall automatically inure to the benefit of said association.

32. **Condominium Declaration.** The Tenant agrees, at its own expense, to develop condominium association agreements including, but not limited to, Declaration of Condominium Unit Ownership for the Condominium Hangars and Bylaws for the Hangar Owners Association, under which condominium hangar units shall be sold and owned. Said agreements (Declaration and Bylaws) shall be subject to the review and approval of the Landlord and said Declaration shall be executed and acknowledged by the duly authorized representative of the Landlord. Approval of the Declaration shall not unreasonably be withheld.

33. **Hold Over.** Should the Tenant, with the written consent of Landlord, hold over after the expiration of the term of this Lease, Tenant agrees to pay Landlord the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants, and conditions as herein specified, so far as possible.

34. **Landlord's Ownership.** Landlord warrants that it is the owner of the leased premises and that it has the right to lease said premises under the terms of this Lease. Landlord will defend Tenant's right to quiet enjoyment of the leased premises from disturbance by anyone claiming by, through, or under Landlord.

35. **Nondiscrimination.**

a. The Tenant, for himself, his heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that, in the event facilities are constructed, maintained, or otherwise operated on said property described in this Lease for a purpose for which a Department of Transportation permit is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.

b. The Tenant, for himself, his personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from the participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; or (2) in the construction of any improvements in, over, or under such land and the furnishings of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) the Tenant shall use the premises in compliance

with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.

c. In the event of breach of any of the above nondiscrimination covenants, the Landlord shall have the right to terminate this Lease and to re-enter and repossess said land and facilities thereon and hold the same as if said Lease had never been made or issued.

36. **Hazardous Substances.** The Tenant shall not permit hazardous substances, including any substances, materials, wastes, pollutants, oils or regulated substances, or substances defined or designated as hazardous, toxic, radioactive, dangerous, or any other term in or under any environmental laws which may affect environmental or human health, to exist on the premises and shall, at Tenant's sole expense, undertake to comply with all rules, regulations, and policies of the State of Oregon and the United States Environmental Protection Agency. Tenant shall promptly notify the City Fire Department of the existence of any hazardous substances as required by state and federal regulations and shall comply with any requirements for hazardous waste disposal as may be imposed by applicable federal and state laws.

37. **Motor Vehicle Parking on Premises.** At any time when the Tenant is making use of aircraft, Tenant shall be permitted to park all motor vehicles within the aircraft hangar buildings. Such vehicles shall, at all times, park within the leased premises.

38. **Parking Aircraft on Premises.** The Tenant shall at no time park any aircraft or permit any aircraft to be parked on the exterior portion of the leased premises. The Tenant has the right to hangar aircraft on said leased premises and the right to charge hangar rental fees at rates no less than those rates now or in the future charged by the City of McMinnville for comparable hangars. Limitations on amounts of rent chargeable shall not restrict Tenant's right to market and sell leasehold condominium units in any dollar amount at the sole discretion of Tenant.

39. **Independent Default Clause.** A condominium unit owner may not be evicted due to a default by the board of directors of the association of unit owners so long as the unit owner has paid the pro rata share of the unit owner of the funds necessary to correct the default or because another unit owner has defaulted.

40. **Venue.** The venue of any suit, claim, demand, or proceeding which may be brought by either party under the terms of this Lease or growing out of the tenancy under this Lease shall be at the option of the Landlord in court(s) in Yamhill County, Oregon.

41. **Site Plan.** Where reference is made in this Lease to a plot plan or site plan, it is understood and agreed between the parties that such plan must include, at a minimum, those matters hereinafter set forth and shall be in the form of a scale drawing of the entire leased premises with all of those matters set forth to scale and legibly thereon:

a. Location of all structures and sizes thereof, together with size and location of any future structures which the Tenant anticipates may be placed on the premises;

- b. Location of all roads, driveways, entrances, and exits;
- c. Location of all parking areas and description of method of delineating such areas by curbs or other methods;
- d. Location of all utilities and, in case of underground utilities, mention thereof;
- e. Interior and exterior drainage;
- f. Location and type of all fencing and gates;
- g. Site and exterior building lighting.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the first day of July, 1997.

Landlord:

CITY OF McMinnville

By Edward J. Gornley
Mayor

ATTEST:

By Carol W. Boudet
City Clerk

Tenant:

Michael SHEETS CO. INC

By Michael Sheets pres.

By _____

EXHIBIT A

McMINNVILLE AIRPORT - LEASE DESCRIPTION

A parcel of land in the John White Donation Land Claim No. 82, Northeast 1/4 of Section 26, Township 4 South, Range 4 West, Willamette Meridian, Yamhill County, Oregon and more particularly described as follows:

LEASE PARCEL C:

Beginning at a point that bears South 89° 46' 28" East 188.00 feet the southeast corner of McMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearings per plat of McMINNVILLE AIRPORT CONDOMINIUM HANGERS), a subdivision in Yamhill County, Oregon; thence North 00° 13' 32" East 230.00 feet, parallel with and 188.00 feet easterly of said subdivision; thence South 89° 46' 27" East 58.00 feet; thence South 00° 13' 32" West 230.00 feet; thence North 89° 46' 28" West 58.00 feet to the POINT OF BEGINNING.



STAFF REPORT

DATE: March 12, 2021
TO: Jeff Towery, City Manager
FROM: Mike Bisset, Community Development Director
SUBJECT: Hangar L Lease Amendment

Report in Brief:

This action is the consideration of a resolution approving a lease amendment with the Tiner Investments Company (Tiner) for hangar L at the airport.

Discussion:

The initial lease with Tiner was entered into in 2005, and is set to expire on January 30, 2040 (see attached 2005 lease document). Per section 24 of the original lease, at the end of the lease period the City had the option of taking ownership of the hangars, or requiring that the lessee remove the hangars and return the lease area to the airport.

In 2017, the City developed a new lease document with different lease renewal terms. The new lease terms allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

Upon adoption of the new lease renewal terms, the Airport Commission and City Council indicated that the City would work with existing tenants to amend their lease(s) to include the new renewal terms. The attached lease amendment modifies the existing lease to include the new renewal terms.

The Airport Commission considered the lease amendment at their meeting on March 2, 2021. The Commission unanimously recommended that the City Council approve the lease agreement.

Attachments:

1. Proposed Resolution 2021-16
2. Proposed Lease Amendment - 2021
3. Hangar L Lease - 2005

Fiscal Impact:

The lease revenue is included in the proposed FY21 Airport Fund budget, and is used to fund airport operations.

Recommendation:

The Airport Commission recommends that the City Council adopt the attached resolution approving lease amendment with the Tiner Investments Company for hangar L at the airport.

RESOLUTION NO. 2021 - 16

A Resolution approving a lease amendment with the Tiner Investments Company for hangar L at the airport.

RECITALS:

In 2005, the City entered into a lease for hangar L at the airport, and the lease is set to expire on January 30, 2040.

The lease amendment will allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

The Airport Commission considered the proposed lease at the March 2, 2021 Commission meeting, and unanimously recommended that the City Council approve the lease.

The public interest will be best served by entering into the lease for the generation of revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That the lease amendment with the Tiner Investments Company for hangar L at the airport is hereby approved.
2. That the City Manager is authorized and directed to execute the lease amendment.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____

Approved this 23rd day of March 2021.



Council President

Approved as to form:

Attest:

City Attorney

City Recorder

After recording, return to:
City of McMinnville
Attn: Legal Department
230 NE Second Street
McMinnville, OR 97128

FIRST AMENDMENT TO GROUND LEASE

This First Amendment to Ground Lease is entered into on this ___ day of _____, 20__ by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as “Lessor”), and **Tiner Investments Company**, an Oregon corporation (hereinafter referred to as “Lessee”).

RECITALS:

In 2005, Lessor entered into a Ground Lease with Michael Sheets to lease from Lessor certain premises located at the McMinnville Municipal Airport (“Lease”). That Lease is recorded with the Yamhill County Recorder’s Office as document no. 200506516.

That Lease was assigned to another lessee in 2010, which assignment is recorded with the Yamhill County Recorder’s Office as document no. 201010407.

In 2020, the Lease was assigned to Lessee, which assignment is recorded with the Yamhill County Recorder’s Office as document no. 202012979.

The parties desire to amend the Lease to include the provisions provided herein.

NOW, THEREFORE, Lessor and Lessee agree as follows:

1. **Option to Renew.** The Lease is hereby amended to add Paragraphs 41 and 42, relating to Lessee’s option to renew the Lease, as follows:

“41. Option to Renew. Lessee shall have the right, subject to City approval and subject to Lessee meeting the conditions contained herein prior to the expiration of the Initial Term, to renew this Lease for additional renewal terms of five (5) years each (“Renewal Term”), throughout the useful lifetime of the hangar as determined by the provisions set forth in this Paragraph. Not less than ninety (90) days prior to the expiration of the Initial Term, and each Renewal Term approved under the conditions outlined herein, City shall give Lessee written notice of the pending expiration of the then current Lease term and of the inspection requirements outlined in Paragraph 41.1 of this Lease (“Renewal/Inspection Notice”). Provided Lessee meets all conditions of renewal as outlined herein and is not in default of any Lease provision, Lessee’s desire to exercise such right of renewal shall be considered automatic. If Lessee does not desire to exercise the right of renewal, Lessee notify

the City in writing within thirty (30) days of the date of City's Renewal/Inspection Notice, of the intent not to renew the Lease. Such notice of intent not to renew the Lease must contain an outline of Lessee's plans for removal of the hangar at the end of the existing term in accordance with Paragraph 42 of this Lease.

41.1 Renewal Term Inspection Requirements. Within thirty (30) days of the date of the City's Renewal/Inspection Notice, Lessee, at Lessee's sole expense, shall hire an independently licensed professional engineer, architect or building contractor to conduct an assessment and inspection of the hangar based on the criteria set forth herein. Lessee shall cause such inspection and assessment to be completed, and a written report of all findings from the inspection ("Inspection/Assessment Report") to be filed with the City within sixty (60) days of the date of the City's Renewal/Inspection Notice to Lessee. Failure of the Lessee to order such inspection and assessment or to provide the City with the Inspection/Assessment Report as required, shall be considered a violation of the Lease, and shall be grounds for denial of the Renewal Term.

41.2 Inspection/Assessment Report. The Inspection/Assessment Report to be provided to the City shall include, but not be limited to:

41.2.1 A detailed list of any maintenance deficiencies found in the interior and on the exterior of the hangar;

41.2.2 A statement verifying Lessee's compliance with current City of McMinnville Municipal Code Airport Property Regulations and the McMinnville Municipal Airport's adopted Minimum Standards for Commercial Aeronautical Activities, including the limits on storage of hazardous materials and appropriate usage of the Property; and

41.2.3 A structural assessment as to the remaining useful life of the hangar and recommendations for improvements which would increase the useful life expectancy of the hangar.

41.3 Deficiencies Satisfied. Lessee shall satisfy all deficiencies identified in the Inspection/Assessment Report within thirty (30) days of the date of such report. If deficiencies require more than thirty (30) days to correct, Lessee may make a written request to the City Manager for an extension of the standard correction time. The City Manager shall not unreasonably deny the extension. Failure of Lessee to correct each reported deficiency will result in ownership of the hangar reverting to the City.

41.4 Appeal of Deficiencies. If Lessee objects to a deficiency identified in the Inspection/Assessment Report, Lessee may file a written appeal with the City Manager. Such appeal must be submitted to the City Manager within ten (10) days of the date of the Inspection/Assessment Report.

41.5 Approval of Renewal Term. Upon Lessee’s completion of all conditions precedent to the commencement of the Renewal Term, including, but not limited to, the satisfactory correction of all deficiencies identified in the Inspection/Assessment Report, the City shall approve the extension of the Lease for one five-year Renewal Term, or for less than a five-year Renewal Term if the Inspection/Assessment Report reflects the conclusions outlined in the following Paragraph 4.6.

41.6 Final Renewal Term; Removal of Hangar. In the event the Inspection/Assessment Report results in a finding that the anticipated remaining useful life of the hangar is five (5) years or less, the pending Renewal Term shall be deemed to be the last Renewal Term available under this Lease (the “Final Renewal Term”). In such event, Lessee shall agree, as a condition to approval of the Final Renewal Term, to remove the hangar, at Lessee’s expense, at the end of the Final Renewal Term. If the Lessee does not agree to remove the at the end of the Final Renewal Term, the City shall deny the request to renew and Lessee must remove the hangar and surrender the Property to the City within thirty (30) days of the expiration or termination of the Renewal Term then in effect. If Lessee fails to remove the hangar as required, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.

41.7 Compliance with Airport Policy. Notwithstanding any other provision of this Lease, any part of this Paragraph 4 shall be amended as necessary to comply with any Airport policy adopted by the McMinnville City Council following recommendation of the City’s Airport Commission, or its successor, provided that, no such amendment shall shorten a renewal term in effect on the date of policy adoption, or require Lessee to expend additional moneys on hangar improvements during the Renewal Term in effect on the date of policy adoption.

42. Return Of Property At The End Of The Lease. Upon the expiration or termination of this Lease, Lessee shall remove the hangar at Lessee’s sole expense, and surrender the property to the City within thirty (30) days of the date of expiration or termination of the Lease. If Lessee fails to remove the hangar, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.”

2. **Compliance.** The Lease is hereby amended to add Paragraph 43, relating to Lessee’s compliance with federal, state, and local laws and regulations, as follows:

“43. Compliance with Laws and Regulations. Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules, and regulations promulgated and/or enforced by Lessor or by other proper authority having jurisdiction over the conduct of operations at the airport, and to do all things necessary to stay or become in compliance with the same. Lessee further specifically agrees to comply with all requirements of the Federal Aviation Administration (FAA), including but not limited to, those requirements

originating out of the City of McMinnville's relationship with the FAA, or which find their origin in relation to grants or other contractual arrangements between the City of McMinnville and the FAA.

Lessee understands and agrees that the right of ingress and egress to runways, taxiways, and aprons, now and hereinafter designed by Lessor shall be subject to all Airport Rules and Regulations, Minimum Standards, laws, regulations, grant obligations, policies and ordinances now or hereinafter adopted, and that the use of said runways, taxiways and aprons shall be in common with others and that the same shall not be obstructed by Lessee or closed to the right of use or travel by others. Lessor shall provide notice to Lessee prior to any amendments to said documents, the most current versions of which may be obtained from the Airport Manager.

Lessor reserves the right to amend this lease to conform with any changes in Municipal, State or Federal laws, rules, regulations and ordinances. If at any time it is discovered that the provisions of this lease violate or are in any way inconsistent with current or later enacted Municipal, State or Federal laws, rules, regulations, ordinances, FAA policies, orders, advisory circular documents, grant obligations/assurances, or with any obligation the City of McMinnville may have with respect to the FAA, Lessor shall have the right to amend this lease as necessary to make this lease agreement consistent therewith."

3. **Construction.** The Lease is hereby amended to add Paragraph 44, relating to construction at the McMinnville Municipal Airport, as follows:

"44. Construction Activities. Tenant's use of the Premises and/or Airport may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Premises and/or Airport due to the aforementioned activities."

4. All of the other terms and conditions of the Lease shall remain in full force and effect, as therein written. Unless otherwise defined herein, the defined terms of the Ground Lease shall apply to this First Amendment.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Ground Lease effective as of the date first above written.

LESSOR:

ACCEPTED on behalf of the public and Lessor by the City of McMinnville, Oregon:

Jeff Towery, City Manager

STATE OF OREGON)
) ss.
County of Yamhill)

This instrument was acknowledged before me on _____, 20__,
by Jeff Towery, as City Manager of the City of McMinnville.

Notary Public – State of Oregon

APPROVED AS TO FORM:

Amanda Guile-Hinman, City Attorney

LESSEE:

Tiner Investments Company

By: _____

Print Name: _____

As Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 20___, by _____ who personally appeared before me, was identified by satisfactory evidence, and acknowledged that he/she executed the instrument in his/her authorized capacity as the _____ of Tiner Investments Company, an Oregon corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Notary Public – State of Oregon

Yamhill County Official Records	202012979
DMR-ASSDMR	07/30/2020 04:06:00 PM
Stn=1031 SUTTONS	
4Pgs \$20.00 \$11.00 \$5.00 \$60.00	\$96.00

I, Brian Van Bergen, County Clerk for Yamhill County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.
 Brian Van Bergen - County Clerk

ASSIGNMENT OF LEASE

Parties:

Lessor:

City of McMinnville

Lessee and Assignor:

Steven H. Roberts & LuAnn G. Roberts
Wayne E. Roberts & Kathleen M. Roberts

Assignee:

Tiner Investments Company

KNOW ALL MEN BY THESE PRESENTS, That Steven H Roberts and LuAnn G Roberts, Wayne E Roberts and Kathleen M Roberts , as Assignor, for value received hereby assigns unto Tiner Investments Company, as Assignee, the Steven H Roberts and LuAnn G Roberts, Wayne E Roberts and Kathleen M Roberts interest in that certain lease made by City of McMinnville, a municipal corporation of the State of Oregon in which Michael Sheets was Lessee dated March 21, 2005 and covering the following described premises, to-wit:

FIRST AMERICAN TITLE 3515124

LEGAL DESCRIPTION: Real property in the County of Yamhill, State of Oregon, described as follows:

A leasehold interest in the following described property:

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of McMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South 00°13'32" West 230.00 feet to the Southwest corner of said McMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of bearings per plat of McMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South 23°42'04" West 125.45 feet to the True Point of Beginning; thence North 89°46'28" West 70.00 feet; thence South 00°13'32" West 70.00 feet; thence South 89°46'28" East 70.00 feet; thence North 00°13'32" East 70.00 feet to the True Point of Beginning. Commonly known as Building "L".

To Have and to Hold the same unto said Assignee and assigns from July 30, 2020, for all the rest of the term of said lease, subject to the covenants, conditions and provisions therein mentioned. The rents provided for in said lease are paid to and including June 30, 2020.

AND the Assignor hereby covenants that the interest in said lease hereby assigned is free from encumbrances.

The following provisions also apply:

- a) Assignee accepts the assignment and assumes and agrees to perform all obligations of the tenant under the Lease in strict conformance with the terms of the Lease, from and after Effective Date.
- b) Assignee accepts the Premises in it's "AS IS" condition at the Effective Date. Landlord shall not be obligated to make any alterations or improvements to the Premises.
- c) Assignment is not effective until the Landlord has executed the consent provision on the last page of the Assignment.
- d) Landlord's consent to the Assignment shall not be construed as a waiver of Landlord's right to withhold consent to any future assignment, sublease or other transfer of the Lease or any interest in the Premises.
- e) Assignment does not amend the Lease. The Lease is unmodified and in full force and effect.

In construing this assignment and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

In Witness Whereof, the assignor has executed this instrument on _____, 20 ____; if a corporate assignor, it has caused its name to be signed and its seal affixed by an officer or other person duly authorized to do so by its board of directors.

Steven H Roberts

LuAnn G Roberts

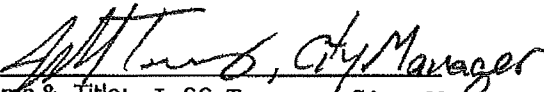
Wayne E Roberts

Kathleen M Roberts

Tiner Investments Company

By: _____
Name: Douglas Milton Tiner
Title: Member

CONSENT OF LESSOR: City of McMinnville


Name & Title: Jeff Towery, City Manager

Date: 7-30-2020



\$51.00

00353157201000104070030031

201010407

2:41:39 PM 7/30/2010

DMR-ASSDMR Cnt=1 Stn=3 SUSIE
\$15.00 \$10.00 \$11.00 \$15.00

ASSIGNMENT OF LEASE

PARTIES:

Lessor:

City of McMinnville --"City"
230 NE 2nd Street
McMinnville, OR 97128

Lessee and Assignor:

The Saunders Company, Inc.
- "Saunders"
PO Box 536
Dundee, OR 97115

Assignee:

Steven H. Roberts & LuAnn G. Roberts;
Wayne E. Roberts & Kathleen M. Roberts
- "Roberts"
21100 SW Eagle Point Way
McMinnville, OR 97128

ASSUMPTION OF LEASE:

Assignee "Roberts" hereby accepts the assignment by Assignor "Saunders" of that certain lease entitled "Ground Lease Airport Hangar," dated the 21st day of March, 2005 as recorded in Instrument No. 2005-06516, Yamhill County records, between "City" and Michael Sheets, and assigned to "Saunders" on April 22, 2005 in Instrument No. 2005-08116, Yamhill County records, and assumes responsibility for payment and performance of all obligations of Assignor "Saunders" undertaken in the Lease Agreement, including payment of all rental charges required by the Lease, commencing with the yearly rental payment for the period beginning on the first day of July 2010 for the following described lease property:

Building "L"

A tract of land located in Section 26, Township 4 South, Range 4 West, Willamette Meridian, being part of the McMinnville Municipal Airport, Yamhill County, Oregon. Said tract being more particularly described as follows:

Beginning at the Northwest corner of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South 0°13'32" West 230.00 feet to the southwest corner of said MCMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearing per plat of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South 23°42'04" West 125.45 feet to the TRUE POINT OF BEGINNING; thence North 89°46'28" West 70.00 feet; thence South 0°13'32" West 70.00 feet; thence South 89°46'28" East 70.00 feet; thence North 0°13'32" East 70.00 feet to the TRUE POINT OF BEGINNING.

**AFTER RECORDING
RETURN TO:**

City of McMinnville
231 NE Fifth St
McMinnville, OR 97128

FIRST AMERICAN TITLE 1604302

CONSENT

The "City," in consideration of "Roberts" agreement to pay and perform the Lease, hereby consents to this assignment.

IN WITNESS WHEREOF, the undersigned have executed the foregoing on or effective as of the date first written above.

LESSOR

By: [Signature]
City Manager

Date: 7-28-10

Attest:

By: [Signature]
City Recorder

Date: 07/28/2010

Approved as to form:

By: [Signature]
City Attorney

LESSEE AND ASSIGNOR

By: [Signature]
Todd Saunders for
The Saunders Company, Inc.

Date: 7-30-10

State of OREGON
County of Yamhill



Subscribed and sworn (or affirmed)
before me on July 30, 2010.

[Signature]
Notary Public - State of Oregon
My commission expires: 5/6/2013

ASSIGNEE

By: Steven H. Roberts
Steven H. Roberts

Date: 07 - 29 - 2010



State of OREGON
County of Yamhill

Subscribed and sworn (or affirmed)
before me on _____, 2010.

Janet L. Winder
Notary Public - State of Oregon
My commission expires: _____

By: LuAnn G. Roberts
LuAnn G. Roberts

Date: 07 - 29 - 2010



State of OREGON
County of Yamhill

Subscribed and sworn (or affirmed)
before me on _____, 2010.

Janet L. Winder
Notary Public - State of Oregon
My commission expires: _____

By: Wayne E. Roberts
Wayne E. Roberts

Date: 07-29-2010



State of OREGON
County of Yamhill

Subscribed and sworn (or affirmed)
before me on _____, 2010.

Janet L. Winder
Notary Public - State of Oregon
My commission expires: _____

By: Kathleen M. Roberts
Kathleen M. Roberts

Date: 7-29-10



State of OREGON
County of Yamhill

Subscribed and sworn (or affirmed)
before me on _____, 2010.

Janet L. Winder
Notary Public - State of Oregon
My commission expires: _____

Bldg L

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK



\$91.00

200506516 9:54:28 AM 4/01/2005
DMR-LDMR Cnt=1 Stn=3 KENTV
\$70.00 \$10.00 \$11.00

GROUND LEASE AIRPORT HANGAR

The parties hereto are the CITY OF McMinnville, a municipal corporation of the State of Oregon, Lessor, and MICHAEL SHEETS, Lessee,

FOR AND IN CONSIDERATION of the mutual covenants hereinafter contained,

the parties agree as follows:

1. Lease and Description. Upon the terms and conditions hereinafter set forth, the Lessor does hereby lease to Lessee and the Lessee does hereby lease from Lessor those certain premises situated in the City of McMinnville, County of Yamhill, State of Oregon, being a part of the McMinnville Municipal Airport, and being described as set forth on Exhibit "A" attached hereto and made a part hereof and hereinafter called "premises". The Lessee shall construct improvements on the premises, which improvements shall remain the property of the Lessee, its successors and assigns, during the terms of this Lease.

2. Business Purpose. The premises are to be used solely for the use of aircraft hangar buildings and facilities. The Lessee intends to construct on the premises an aircraft hangar building which is to be used for aeronautical purposes and specifically for the purpose of parking and storing aircraft, and for maintenance and other routine activities associated with aircraft ownership. The owners and occupants of units shall not engage in any other use of the premises without prior written consent from Lessor. The Lessee shall conduct and carry on in said premises only the business for which said premises are leased, and shall not use the premises for illegal purposes.

3. Term. The term of this lease shall be for 35 years, and shall commence February 1, 2005, and end at midnight on January 30, 2040. All of the terms and conditions of this lease, other than the rental shall remain the same.

4. Rent. The rent for said premises for the first year of this Lease, commencing upon execution hereof, shall be computed at the rate of \$0.1983 per square foot, based upon the

After Recording City of McMinnville
Return To: 230 NE 2nd Street
McMinnville, Oregon 97128

Send Tax Statements To: n/a

entire lease site consisting of 4,900 square feet, together with additional rental in the form of all property and other taxes which are assessed against the premises during the terms of this lease. The said taxes shall be paid to the Yamhill County Tax Collector at such time as they are billed by the Yamhill County Tax Assessor each year commencing with the first tax statement received by Lessee. The rent for the period February 1, 2005 to June 30, 2005, is due upon execution of the lease. Thereafter, such rent shall be paid to Lessor annually in each succeeding year until this lease is terminated, and shall be mailed or delivered by hand to Lessor at City Hall, 230 NE Second Street, McMinnville, Oregon 97128, unless a different address is specified in writing by Lessor.

5. Future Rental Periods. Commencing on July 1, 2005 and once every year thereafter, the annual rental sum shall be adjusted based upon the CPI-W for Portland, Oregon, for the period July 1 through June 30 preceding such determination; provided, that the rent for said rental period shall not be more than ten (10) percent higher than the rent fixed for the prior lease year. Lessor shall bill lessee on or about September 1 for the year's total amount. Rent will not be considered late if paid within 30 days of billing.

- a) The basic per square foot ground lease figure (\$0.1983) established at the commencement of this lease shall be reviewed every five years on the anniversary date of this Lease, commencing 2010, and shall be adjusted following each review to reflect any increase in the then current market value of airport property being leased in the State of Oregon and Washington with emphasis upon the Willamette Valley. If the basic ground lease values are found to be greater than the fee then being charged, then the ground cost per square foot shall be so increased to the median value.
- b) **Late Charges.** The pro-rated rent shall be due and owing upon execution of this lease. Thereafter the rent shall be billed annually as stated in Paragraph 4. In the event rent is not timely paid, Lessor may assess, and the Lessee shall pay upon any installment of rent or portion thereof not paid within thirty (30) days after such rent installment is due and payable, a late charge penalty for each month or fraction thereof during which the rent or a portion thereof is not paid, equal to five (5) percent of the amount of such rent or portion thereof (plus accrued late charge penalties, if any) due and payable, or, if the rent due and owing is not paid within 30 days after becoming so due and owing, Lessor, at Lessor's election, may terminate this lease in its entirety. The amount of the late charge penalty shall be added to the amount due each month, and the total thereof shall be subject to a late charge for each succeeding month or fraction thereof in the amount of five (5) percent of the total rental due for said period.

6. Assignment of Lease; Release of Lessee. At such time as Lessee may convey said leasehold to a third party, Lessor shall release Lessee from all liability with respect to the rent reserved by and the covenants, conditions, and stipulations contained in this lease, and all actions, proceedings, claims and demands with respect to any future breach, whether present or future, or any such covenants, conditions, and stipulations, provided Lessee first submits to Lessor for its approval the prospective successor Lessee. Denial of the sale or lease shall not be unreasonably withheld by Lessor. See Paragraph 16.

7. Building Construction on Premises. Any building construction proposed on the premises shall be approved by the Lessor. Any buildings so constructed shall be done strictly in accordance with full plans and specifications, including drawings and elevations showing the

appearance and color of the finished building, to be filed with the Lessor prior to commencing construction. The building(s) shall be placed upon the lot at the location shown on the plot plan submitted to the Lessor or its designated official, which location must be first approved by the Lessor's City Manager. Any excess soil from this construction shall be removed from the site by the Lessee to a location determined by the Lessor's designated official. Area disturbed by construction shall be re-seeded to prevent erosion and be graded so that area can be mowed.

- a) **Construction Commencement.** Unless construction of the building to be located upon the premises is commenced within one hundred eighty (180) days of the date this lease is executed and the initial building completed within one hundred eighty (180) days after the commencement of construction, the Lessor shall have the right upon giving sixty (60) days' written notice to the Lessee to terminate this lease. In the event of such termination, the Lessor may retain all rents therefor received by it, and all rights of the Lessee shall absolutely terminate. In the event any rent is owing by the Lessee at the effective date of termination pursuant to said notice, the Lessee shall pay said rent within ten (10) days of said effective date. It shall be the responsibility of the Lessee to secure at Lessee's sole expense all permits and approval required for the use of the premises and construction of any building thereon.

- b) **Signs.** All signs and symbols placed in the windows or doors or elsewhere about the premises, or upon the exterior part of the buildings, shall be subject to the approval of the Lessor or Lessor's agents. In the event the Lessee places signs or symbols on the exterior of said buildings or in the windows or on doors or elsewhere where they are visible from the street that are not satisfactory to the Lessor or Lessor's agents, the Lessor or Lessor's agents may immediately demand the removal of such signs or symbols, and the refusal of the Lessee to comply with such demand within a period of twenty-four (24) hours will constitute a breach of this lease, and entitle the Lessor to immediately recover possession of said premises in the manner provided by law. Any signs so placed on the premises shall be so placed with the understanding and agreement that the Lessee will remove the same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee, then the Lessor may have the same removed at Lessee's expense. In installing any signs, the Lessee shall conform to all requirements of applicable laws and regulations and pay any applicable fees.

8. Termination of this Land Lease. This lease shall be terminated if Lessee is unable to obtain the necessary building permits for the construction of said hangar. Failure of Lessee to pay permit fees or to complete construction because of a building code violation is not grounds for termination of the lease by Lessee.

9. Clearing and Grading Premises. The Lessee shall perform at the Lessee's own expense any clearing or grading of the premises required. Grading and clearing shall be done to such standards and on such grades as the Lessor may require. The Lessee shall secure any grading permits that may be required prior to commencement of any grading.

10. Repairs. The premises have been inspected and are accepted in their present condition and Lessee will at all times keep the premises neat, clean, and in a sanitary condition. Any buildings placed upon the leased premises by Lessee will be maintained in a neat and clean condition. Lessee will replace any glass of all broken windows and doors of the buildings as

may become cracked or broken, and except for reasonable wear and tear and damage by fire or other unavoidable casualty, will at all times present said premises in as good repair as they were at the time of construction. All repairs shall be at Lessee's sole cost and expense.

11. Utilities. The Lessee hereby covenants and agrees to pay all monthly or other regular charges for heat, light and water, and for all other public utilities which shall be used in or charged against the leased premises during the full term of this lease. Lessee is responsible for providing permanent utilities to the site that are in accordance with established city standards regarding size and materials subsequent to the date a building permit is issued for construction of any proposed buildings. Lessee shall pay for and install drainage utilities as required for the site. No occupancy shall occur until permanent utilities to the site have been installed in accordance with Lessor's requirements. Any temporary utilities required shall be at Lessee's expense.

12. Off Site Improvements: In the event that Lessee installs and pays for any off site improvements at the request of and prior written agreement of Lessor, including, but not being limited to a taxiway, the costs incurred by Lessee shall be a credit toward future rental payments under this lease.

13. No Occupancy of Building(s) Prior to Issuance of Certificate of Occupancy. The Lessee shall not occupy or use any building hereafter erected on the premises until a certificate of occupancy thereof shall have been issued.

14. Care of Premises. The Lessor shall not be called upon to make any improvements or repairs of any kind upon said premises and said premises shall at all times be kept and used in accordance with the laws of the State of Oregon and ordinances of the City of McMinnville, and in accordance with all directions, rules and regulations of the health officer, fire marshal, building official, or other proper officer of any pertinent and authorized public authority, at the sole cost and expense of the Lessee. The Lessee will neither commit nor permit any waste, damage, or injury to the premises and, at Lessee's own cost and expense, will keep all drainage pipes free and open and will protect water, heating, and other pipes so that they will not freeze or become clogged, and will repair all leaks, any damage caused by leaks or by reason of the Lessee's failure to protect and keep free, open, and unfrozen any of the pipes and plumbing on said premises.

15. Liens and Insolvency. Lessee shall keep the leased premises and the property on which the leased premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. If the Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for the business of the Lessee, the Lessor may cancel this lease at the Lessor's option.

16. Assignment and Subletting.

- a) **Assignment.** This lease may be assigned by the Lessee in whole only and not in part, and only with the prior written consent of the Lessor.

In the event of an assignment, such assignment may only be made to an assignee for a use of the premises as set forth in Paragraph 2 of this lease.

Subject to the provisions of Paragraph 5 herein, the assignee must be shown to the Lessor to be of such financial standing and responsibility at the time of such assignment as to give reasonable assurance to the Lessor of prompt payment of all rents and other amounts to be paid under this lease, and of full compliance with all other terms, covenants, conditions, and provisions of this lease. No such assignment may be made or be of any force or effect if at the time of such assignment the Lessee is in default in any of the terms, covenants, conditions, and provisions of the lease, including default in the payment of rent; provided, however, the assignee may cure the default(s) prior to taking possession of the premises. No such assignment for any purpose shall be of any force or effect unless the Lessor first shall have consented, in writing, to said assignment and has received a true copy of the proposed assignment. The Lessor may refuse to consent to such assignment for any purpose herein above set forth. Such assignment shall include the then unexpired balance of the term of this lease.

- b) **Subleases.** The Lessee may sublet the whole or any portion of any buildings on the premises, but not the real property, to a sublessee; provided: (1) the Lessor has given its consent in writing prior to the sublease being effective and; (2) the Lessor has received a true copy of the proposed sublease.
- c) **Rentals.** The Lessee may rent hangar space for the purposes described in Paragraph 2 of this lease on a month-to-month basis to sublessee provided: (1) the Lessee submits and receives Lessor's approval of the proposed rental space; (2) the Lessee enters into hangar rental agreements only upon forms pre-approved by the Lessor; (3) the Lessee keeps the Lessor informed of the name, address, telephone number, and aircraft registration number of all current hangar sublessees; (4) the Lessee charges monthly hangar rental fees no less than the rates now or in the future charged by the Lessor for comparable hangars; (5) the Lessor reserves the right to object for cause to any specific hangar rental sublessee and reserves the right to require the Lessee to terminate the hangar rental agreement of such objectionable sublessee within sixty (60) days of notice of objection.
- d) **Default.** If all or any part of the leased premises are sublet or occupied by anybody other than the Lessee, the Lessor may, after default by the Lessee, collect rent from any and all sublessees or occupants, and apply the net amount collected to the rent reserved herein, but no such collection shall be deemed a waiver of any agreement, term, covenant, or condition hereof, nor the acceptance by the Lessor of any sublessee or occupant as a Lessee.

17. Access. The Lessee will allow the Lessor or the Lessor's agents free access at all reasonable times and upon at least twenty-four (24) hours notice to said premises during normal business hours for the purpose of inspection. Nothing herein shall be construed in any way as limiting the authority of the Lessor's building official under existing law.

18. Liability Insurance. Lessee shall at all times carry and maintain liability insurance in a company or companies rated in the current edition of Best's General Ratings as, at least, A (Excellent), and Financial Size Category of not less than Class X, or in such other company or companies not so rated which may be acceptable to Lessor, insuring Lessee against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts or negligence of the Lessee, its agents, employees or servants, or by any means of transportation whatsoever, including owned, non-

owned, and hired automobiles, to the extent required by the Oregon Tort Claims Act, as now in existence or as amended hereafter. Lessor shall be named in all such policies as an additional insured, and a duplicate certified true copy of the original of such insurance policy or policies shall be furnished to Lessor. Each such policy shall provide that the policy may not be canceled without the company first giving Lessor at least thirty (30) days' written notice.

19. Accidents - Indemnity. All personal property on said leased premises shall be at the risk of the Lessee. Lessor shall not be liable for any damage, either to person or property, sustained by the Lessee or others, caused by any defects now at said premises or hereafter occurring therein, or due to the condition of any buildings hereafter erected to any part or appurtenance thereof becoming out of repair, or caused by fire, or by the bursting or leaking of water, gas, sewer, or steam pipes, or from any act or neglect of Lessee, its employees, Lessees, or other occupants of said buildings, or any other persons, or due to the happening of any accident from any cause in or about said buildings. Lessee covenants to protect, save, and indemnify Lessor, its elected and appointed officials, and employees while acting within the scope of their duties as such, from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Lessee's employees or third parties on account of personal injuries, death, or damage to property arising out of the premises or in any way resulting from the willful or negligent acts or omissions of the Lessee and/or its agents, employees, or representatives.

20. Fire Insurance. The Lessee shall at all times and specifically during construction carry at its own expense fire insurance, hazard insurance, and vandalism and malicious mischief insurance on all buildings existing or hereafter constructed on the premises acceptable to the Lessor which policy or policies shall name Lessor as an additional insured as to the value of Lessor's interest as determined hereinafter, and to the extent of at least eighty percent (80%) of the value of the buildings. The original policy, a duplicate certified true copy, or such other evidence of insurance as the Lessor shall have agreed in writing to accept, shall be on deposit with the Lessor's Clerk at all times during the term hereof. Each such policy shall provide that the policy may not be canceled without the insurer first giving the Lessor at least thirty (30) days' prior written notice. No such policy shall contain a deductible clause greater than one thousand dollars (\$1,000) per claim. In the event of loss, the Lessee shall pay such deductible sum.

21. Application of Fire Insurance Proceeds in Event of Loss.

- a) **Total Destruction:** "Total destruction" or "Totally destroyed" means destruction to an extent exceeding fifty (50) percent of the sound value of the building. If any building constructed on the leased premises is totally destroyed by fire, earthquake, or other casualty during the term of this lease, and if the Lessee desires to rebuild, the proceeds of the insurance shall be used for the purpose of rebuilding such building. If the Lessee elects not to rebuild, the proceeds of any insurance shall be payable on a pro rata basis to the Lessor and Lessee in such proportions as to cause the unpaid portion of the lease payment for the unexpired portion of this lease to be paid in full to Lessor by the Lessee based upon the total number of years in the term of this lease and the number of years remaining.

If the Lessor and Lessee are unable to agree regarding the disposition of insurance proceeds therefor, the parties shall submit the matter to arbitration pursuant to the rules

and regulations established by the Supplementary Trial Court Rules of the Circuit Court of The State of Oregon for the Twenty-fifth Judicial District. The parties may select any such alternative arbitrators, arbitration committee, or method as agreeable between the Lessor and Lessee. The decision of the majority of said arbitrators shall be binding upon the Lessor and Lessee, unless successfully modified by a court of law.

- b) **Partial Destruction:** "Partial Destruction" means destruction to an extent not to exceed fifty percent (50%) of the sound value of the building. In the case of partial destruction, the proceeds shall be used by Lessee for repairing the damage. The Lessee shall give to Lessor written notice of loss immediately and a notice of intention to rebuild within sixty (60) days of loss. If the Lessee fails to give notice of intention to rebuild within the time specified, the Lessor shall then have the option to rebuild and shall give the Lessee notice in writing of such intention within one hundred twenty (120) days after receiving written notice of loss from the Lessee, subject to such policy conditions governing the replacement cost provisions therein. If either the Lessor or the Lessee elects to rebuild as above provided, such party shall prosecute the work of such rebuilding or repairing without delay. If both the Lessor and Lessee fail to give notice of intention to build as aforesaid within the times specified, both the Lessor and Lessee, or either of them, shall have the right to declare this lease terminated by written notice served upon the other party as provided in Paragraph 24 herein. It is understood that if the Lessee sublets the premises and passes the expense of fire, earthquake, or other casualty insurance or of liability insurance on to the sublessee, then Lessee will require all insurance policies required under the sublessee to name both the Lessor and Lessee (but as Lessor thereunder) as an additional insured as required above, as their interests may appear. Any sublease shall reflect the provisions of this lease as to the selection of the insurer and the amount and nature of coverage.

22. Recovery of Leased Premises. The Lessor is authorized to recover the premises from the Lessee in the event that the Airport Commission for the City of McMinnville determines the premises are required for another airport purpose. In the event such a determination is made and the Lessor elects to recover the premises, Lessor shall compensate Lessee for the value of the remainder of this lease and the improvements constructed on the premises. Lessor and Lessee agree to each retain an MAI appraiser to determine the value of the remainder of this lease and the improvements on the premises. If those appraisers are unable to agree on a value, a third appraiser shall be appointed by the senior judge of the Circuit Court for Yamhill County and that appraiser's valuation shall be conclusive and binding upon both parties. The value of the improvements shall be pro-rated based upon the remaining unused portion of the term of this lease as that portion relates to the total term of this lease.

23. Lessee's Right of Cancellation. In addition to any other remedies available to the Lessee, this agreement shall be subject to cancellation by the Lessee should any one or more of the following occur:

- a) **Abandonment of Airport.** The permanent abandonment of the airport as an operating airport by act or decision of the Lessor;
- b) **Supervening Event.** The occurrence of any supervening event or act of God which precludes the Lessee, and any assigns of the Lessee, from the use of the property for the purposes stated herein or from the use of airport facilities. Neither Lessee nor Lessor

shall have any liability under this subparagraph for any supervening event or act of God under any theory on which recovery may be sought;

- c) **Lessor Breach of Lease.** The breach by the Lessor of any of the covenants, terms, or conditions of this lease to be kept, performed, and observed: by the Lessor and the failure to remedy such breach within a period of sixty (60) days after written notice from the Lessee of the occurrence of the breach;
- d) **Federal Government or Other Governmental Agency Control.** The assumption by the federal government or any other governmental agency of the control of the airport or any portion thereof which would preclude the Lessee from operating under the terms of the lease. Neither Lessor nor Lessee shall have any liability for loss of use occasioned by act of the federal government or any other government agency.

24. Ownership of Constructed Improvements After Termination of Lease.

During the pendency of this lease, all buildings and improvements on the property shall be owned entirely by the Lessee and its successors and assigns. Subject to the right of the Lessee's financing institution to assume the Lessee's rights and obligations herein, in the event of the Lessee's default to said financing institution, upon termination of this Lease, the building alterations, additions, and improvements made by the Lessee to the property shall become the sole property of the Lessor, and the ownership of said improvements shall be vested in fee simple in the Lessor, subject to the recorded rights of any financing institution for the remaining lease and sublease terms. Upon termination of this Lease, the Lessor may elect to accept the premises or may, upon reasonable notice to the Lessee, require the premises to be surrendered in the same condition as existed at the time of execution of this Lease. Upon termination of this Lease, the premises shall be surrendered without notice in a neat and clean condition. All keys to all buildings on the premises shall be surrendered to the Lessor.

The Lessee may install in the leased premises such fixtures and equipment as the Lessee deems is desirable at the Lessee's own expense. All such items shall remain the Lessee's property and may be removed by the Lessee at or before termination of this Lease, PROVIDED that the Lessee shall repair any damage to the premises caused by such removal.

25. Notice. All notices and consents hereunder shall be given in writing, delivered in person or mailed by certified mail, postage prepaid, to the receiving party at its address below, or to such other address as the receiving party may notify the sender beforehand referring to this lease:

LESSOR: CITY OF McMINNVILLE
230 NE 2nd Street
McMinnville OR 97128

LESSEE: Michael Sheets
NIKE BOX 409
KETCHIKAN AK 99950

26. Governmental Fees. All fees due under applicable law to the City, County, or State on account of any inspection made on leased premises by any officer thereof shall be paid by the Lessee.

27. Default and Re-Entry. Unless resulting from events enumerated in Paragraphs 19, 20, or 22 herein, if any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if the Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may cancel this lease upon giving 120 days' notice and re-entering said premises, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and the Lessee covenants and agrees to make good to the Lessor any deficiency arising from a re-entry and re-letting of the premises at a lesser rental than herein agreed to.

28. Costs and Attorney's Fee. The prevailing party shall be entitled to recover reasonable attorney's fees and costs in such amount as are fixed by the trial or appellate court, and all costs and expenses incurred by reason of the breach or default by the other under this lease, whether or not an action is filed.

29. Breach of Lease by Lessee.

Each of the following shall be deemed a default or breach of this lease:

- a) Nonpayment of the whole or any portion of the rents herein reserved, or any other sum or sums of money due to Lessor from Lessee under the provisions hereof as and when due;
- b) Nonperformance by Lessee of any other covenant or condition herein contained on the part of lessee to be kept and performed;
- c) Abandonment of the premises by Lessee; or
- d) The adjudication of Lessee as bankrupt, the making by Lessee of a general assignment for the benefit of creditors, the taking by Lessee of the benefit of any insolvency act or law, or the appointment of a receiver or trustee in bankruptcy.

Within thirty (30) days after written notice from Lessor to Lessee demanding performance, Lessor may declare a forfeiture of this lease and re-enter upon the premises and remove all persons and property therefrom, and in addition or in lieu thereof, Lessor may, at its option, pursue any other remedy provided by law or in equity for the enforcement of Lessor's rights under the provisions of this lease.

In the event of breach of any condition or term contained herein by Lessee, in addition to the terms of the agreement, the Lessor shall have the right to terminate this lease upon giving written notice as provided in Paragraph 24 herein.

30. Nonwaiver of Breach. The failure of either party to insist upon strict performance of any of the covenants and conditions of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such strict performance as to any subsequent breach by Lessee of any kind whatsoever that is created by the other party of any other covenants or conditions, or of the exercise of any such option, and the same shall be and remain in full force and effect.

31. Removal of Property. In the event of any entry on or taking possession of the premises as aforesaid, the Lessor shall have the right, but not the obligation, to remove from the premises all personal property located therein or thereon and may store the same in any place selected by Lessor, including, but not limited to, a public warehouse, at the expense and risk of the owners of the said property. Unless otherwise provided by law, Lessor shall have the right to sell such stored property, without notice to the owner thereof after the property has been stored for a period of at least sixty (60) days, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance, if any, to be paid to the owner thereof.

32. Heirs and Successors. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and conditions of this lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors, and assigns of any of all of the parties hereto.

33. Holding over. Should the Lessee, without the prior written consent of the Lessor, hold over after the expiration of the term of this lease, Lessee agrees to pay Lessor monthly rental as shall be established by Lessor.

Should the Lessee, with the prior written consent of the Lessor, hold over after the expiration of the terms of this lease, Lessee agrees to pay Lessor the rate of rental as set forth by this lease, unless a different rate is agreed upon.

In either event Lessee shall also be bound by all of the terms, covenants, and conditions as herein specified, so far as possible.

34. Lessor's Ownership. Lessor warrants that it is the owner of the leased premises and that it has the right to lease said premises under the terms of this lease. Lessor will defend Lessee's right to quiet enjoyment of the premises from disturbance by anyone claiming by, through, or under Lessor.

35. Nondiscrimination.

- a) The Lessee, for itself, its representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree as a covenant running with the land that, in the event facilities are constructed, maintained, or otherwise operated on said property described in this lease for a purpose for which a Department of Transportation permit is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.
- b) The Lessee, for itself, its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from the participation in, denied the benefits of, or be otherwise subjected to

discrimination in the use of said facilities; or (2) in the construction of any improvements in, over, or under such land and the furnishings of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.

- c) In the event of breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate this lease and to re-enter and repossess said premises and facilities thereon and hold the same as if said lease had never been made or issued.

36. Hazardous Substances. The Lessee shall not permit hazardous substances, including any substances, materials, wastes, pollutants, oils or regulated substances, or substances defined or designated as hazardous, toxic, radioactive, dangerous, or any other term in or under any environmental laws which may affect environmental or human health, to exist on the premises without complying with all rules, regulations, and policies of the State of Oregon and the United States Environmental Protection Agency. Lessee shall promptly notify the City Fire Department of the existence of any hazardous substances as required by state and federal regulations and shall comply with any requirements for hazardous waste disposal as may be imposed by applicable federal and state laws.

37. Motor Vehicle Parking on Premises. At any time when the Lessee is making use of aircraft, Lessee shall be permitted to park all motor vehicles within the aircraft hanger buildings. Such vehicles shall, at all times be parked within the premises.

38. Parking Aircraft on Premises. The Lessee shall at no time store any aircraft or permit any aircraft to be stored on the exterior portion of the premises. The Lessee has the right to hangar aircraft on said leased premises and the right to charge hangar rental fees at rates no less than those rates now or in the future charged by the City of McMinnville for comparable hangars. Aircraft may be parked on the exterior portion of the leased premises only for loading, unloading, fueling, and other purposes associated with short-term maintenance.

39. Venue. The venue of any suit, claim, demand, or proceeding which may be brought by either party under the terms of this lease or growing out of the tenancy under this lease shall be at the option of the Lessor in court(s) in Yamhill County, Oregon.

40. Site Plan. Where reference is made in this lease to a plot plan or site plan, it is understood and agreed between the parties that such plan must include, at a minimum, those matters hereinafter set forth and shall be in the form of a scale drawing of the entire premises with all of those matters set forth to scale and legibly thereon:

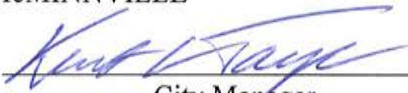
- a) Location of all structures and sizes thereof, together with size and location of any future structures which the Lessee anticipates may be placed on the premises;
- b) Location of all roads, driveways, entrances, and exits;

- c) Location of all parking areas and description of method of delineating such areas by curbs or other methods;
- d) Location of all utilities and, in case of underground utilities, mention thereof;
- e) Interior and exterior drainage;
- f) Location and type of all fencing and gates;
- g) Site and exterior building lighting.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the 21st day of March 2005.

Lessor:


CITY OF McMINNVILLE

By 
City Manager

ATTEST:

By 
City Clerk

Lessee:

By  By _____

Matt Dunckel & Assoc.
3765 Riverside Drive
McMinnville, OR 97128
Phone: 503-472-7904
Fax : 503-472-0367
Email: dunckel@viclink.com

Date: 14 October 2004

MIKE SHEETS - Legal description of Lease Legal (BUILDING L).

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South $0^{\circ}13'32''$ West 230.00 feet to the southwest corner of said MCMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearings per plat of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South $23^{\circ}42'04''$ West 125.45 feet to the TRUE POINT OF BEGINNING; thence North $89^{\circ}46'28''$ West 70.00 feet; thence South $0^{\circ}13'32''$ West 70.00 feet; thence South $89^{\circ}46'28''$ East 70.00 feet; thence North $0^{\circ}13'32''$ East 70.00 feet to the TRUE POINT OF BEGINNING.

Map for:

Mike Sheets

Location: The East 1/2 of Section 26, T.4 S., R.4 W., W.M.,
a portion of the John White D.L.C. No. 82,
Yamhill County, Oregon.

Tax Lot: 4426-100

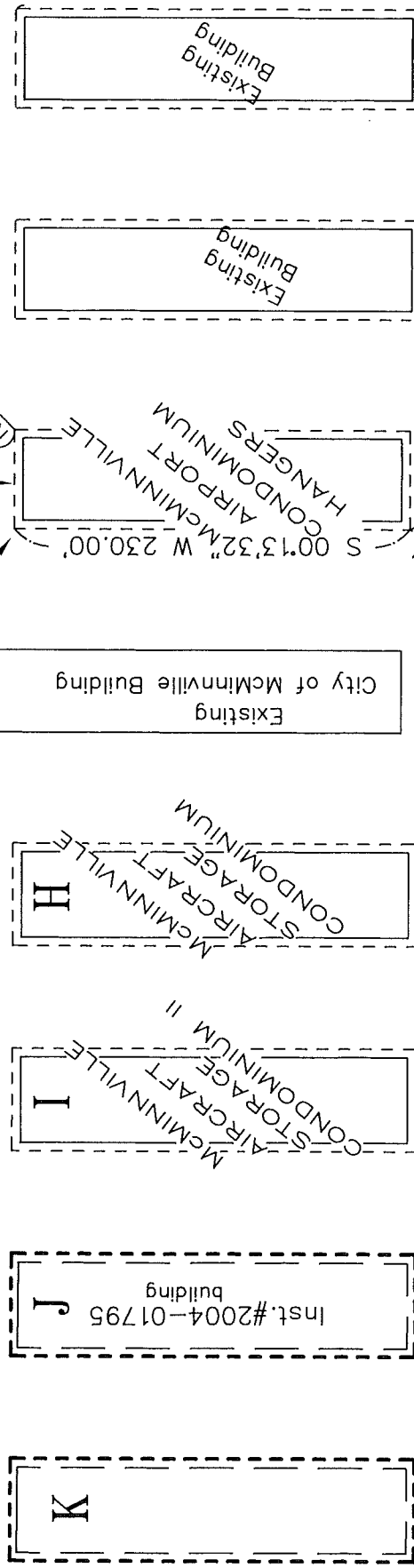
Date: 14 October 2004

5/8" Iron Rod, up 0.5',
no id cap, per CSP-7346.
Held as the SE corner of
the "Evergreen Helicopters, Inc.",
tract as described by deed
recorded in Film Volume 103,
Page 1697, Yamhill County
Deed Records.

Scale: 1"=100'

North

NW Corner of
the McMinnville
Airport Condominium
Hangers.



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°46'28"W	70.00
L2	S00°13'32"W	70.00
L3	S89°46'28"E	70.00
L4	N00°13'32"E	70.00
L5	N89°46'28"W	70.00
L6	S00°13'32"W	70.00
L7	S89°46'28"E	70.00
L8	N00°13'32"E	70.00

PAGE 14 of 14

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Nathan E. Magness

OREGON
July 9, 2001
NATHAN E. MAGNESS
60087

By: Matt Duncel & Assoc.
3765 Riverside Drive
McMinnville, Oregon 97128
Phone: 503-472-7904
Fax: 503-472-0367
E-Mail: duncel@viclink.com

Renewable 31 December 2004
#5245

2/2/05

WESTERN TITLE & ESCROW COMPANY

1215 NE BAKER STREET - PO BOX 628/McMINNVILLE, OR 97128
Phone: (503) 472-3154 Fax: (503) 472-8664

05/12/2005

CITY OF MCMINNVILLE
230 NE 2ND STREET
MCMINNVILLE, OR 97128
Attn: ROSE LORENZEN


RE: LOAN NUMBER 81923
Escrow Number: 40-0057905
Buyer: THE SAUNDERS CO., INC.
Seller: MICHAEL SHEETS
Property: SEE LEGAL PROVIDED
OR

In reference to the above mentioned transaction, enclosed please find the following:

ASSIGNMENT OF LEASE-ORIGINAL

We appreciate the opportunity to be of service to you. If we can be of any further assistance or if you have any questions, please call us at the above number.

Sincerely,
WESTERN TITLE & ESCROW COMPANY


Nita J. Wiebke
Escrow Officer

ENCL

EC NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.



ASSIGNMENT OF LEASE

KNOW ALL BY THESE PRESENTS that MICHAEL SHEETS

hereby assigns unto The Saunders Co., Inc., an Oregon corporation

the [] lessor's [X] lessee's (indicate which) interest in that certain lease made by MICHAEL SHEETS

City of McMinnville, a municipal corporation of The State of Oregon is [X] lessor [] lessee (indicate which), in which

dated March 21, 2005 and which covers the following-described premises:

See attached Exhibit "A" made a part hereof

**and Recorded April 1, 2005 in Document No. 200506516.

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK

200508116



\$41.00

00197220200500081160040040

04/22/2005 11:30:29 AM

DMR-ASSDMR Cnt=1 Stn=2 ANITA

\$20.00 \$10.00 \$11.00

To have and to hold the same unto assignee and assignee's assigns from (date) for the rest of the term of the lease, subject to the covenants, conditions and provisions therein mentioned. The rents provided for in the lease are paid to and including (date) June 30, 2005

The assignor hereby covenants that the interest in the lease hereby assigned is free from encumbrances.

In construing this assignment, and where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this instrument shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the assignor has executed this instrument on April 8th, 2005 if assignor is a corporation. it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Michael Sheets
Michael Sheets

STATE OF OREGON, County of Yamhill

This instrument was acknowledged before me on April 8th, 2005 by Michael Sheets

This instrument was acknowledged before me on

by

as

of



Leslie Fisher
Notary Public for Oregon
My commission expires 7/5/05

50565 20-05

ASSIGNMENT OF LEASE

PARTIES:

Lessor:	Lessee and Assignor:	Assignee:
City of McMinnville - "City"	Michael Sheets - "Sheets"	The Saunders Company, Inc.
230 NE Second Street	NKI Box 409	P O Box 536
McMinnville, OR 97128	Ketchikan AK 99950	Dundee OR 97115

ASSUMPTION OF LEASE

Assignee "Saunders" hereby accepts the assignment by Assignor "Sheets" of that certain lease entitled "Lease of a Portion of the McMinnville Municipal Airport", dated the 21st day of March, 2005, between "City" and "Sheets" and assumes responsibility for payment and performance of all obligations of Assignor "Sheets" undertaken in said Lease Agreement, including payment of all rentals required by the Lease, commencing with the yearly rental payment due on the first day of July 2005 of the following described lease property:

Building "L"

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS; then South 0°13'32" West 230.00 feet to the southwest corner of said MCMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearings per plat of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South 23°42'04" West 125.45 feet to the TRUE POINT OF BEGINNING; thence North 89°46'28" West 70.00 feet; thence South 0°13'32" West 70.00 feet; then South 89°46'28" East 70.00 feet; thence North 0°13'32" East 70.00 feet to the TRUE POINT OF BEGINNING.

CONSENT


The "City" in consideration of "Saunders" agreement to pay and perform the Lease, hereby consents to this assignment.

After Recording


Return to: City of McMinnville
230 NE 2nd Street
McMinnville OR 97128

IN WITNESS WHEREOF, the undersigned have executed the foregoing on or effective as of the date first written above.

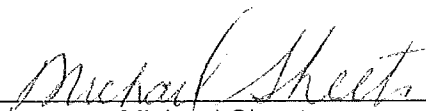
LESSOR

By: 
City Manager

Attest:

By: 
City Recorder

LESSEE AND ASSIGNOR

By: 
Michael Sheets

ASSIGNEE

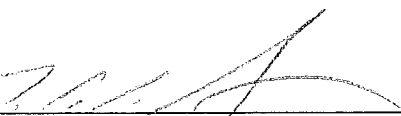
By: 
Todd Saunders for
The Saunders Company, Inc.

EXHIBIT "A"

A leasehold interest in the following described property:

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of McMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South $00^{\circ}13'32''$ West 230.00 feet to the Southwest corner of said McMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of bearings per plat of McMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South $23^{\circ}42'04''$ West 125.45 feet to the True Point of Beginning; thence North $89^{\circ}46'28''$ West 70.00 feet; thence South $00^{\circ}13'32''$ West 70.00 feet; thence South $89^{\circ}46'28''$ East 70.00 feet; thence North $00^{\circ}13'32''$ East 70.00 feet to the True Point of Beginning.

WT&E 2644-4-9
AKA – (Building L)



STAFF REPORT

DATE: March 12, 2021
TO: Jeff Towery, City Manager
FROM: Mike Bisset, Community Development Director
SUBJECT: Hangar M Lease Amendment

Report in Brief:

This action is the consideration of a resolution approving a lease amendment with Doug Tiner (Tiner) for hangar M at the airport.

Discussion:

The initial lease with Tiner was entered into in 2005, and is set to expire on January 30, 2040 (see attached 2005 lease document). Per section 24 of the original lease, at the end of the lease period the City had the option of taking ownership of the hangars, or requiring that the lessee remove the hangars and return the lease area to the airport.

In 2017, the City developed a new lease document with different lease renewal terms. The new lease terms allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

Upon adoption of the new lease renewal terms, the Airport Commission and City Council indicated that the City would work with existing tenants to amend their lease(s) to include the new renewal terms. The attached lease amendment modifies the existing lease to include the new renewal terms.

The Airport Commission considered the lease amendment at their meeting on March 2, 2021. The Commission unanimously recommended that the City Council approve the lease agreement.

Attachments:

1. Proposed Resolution 2021-17
2. Proposed Lease Amendment - 2021
3. Hangar M Lease - 2005

Fiscal Impact:

The lease revenue is included in the proposed FY21 Airport Fund budget, and is used to fund airport operations.

Recommendation:

The Airport Commission recommends that the City Council adopt the attached resolution approving lease amendment with Doug Tiner for hangar M at the airport.

RESOLUTION NO. 2021 - 17

A Resolution approving a lease amendment with Doug Tiner for hangar M at the airport.

RECITALS:

In 2005, the City entered into a lease for hangar M at the airport, and the lease is set to expire on January 30, 2040.

The lease amendment will allow for additional renewal terms of five (5) years each throughout the useful lifetime of the hangar. The lease will end at the end of the useful lifetime of the hangar. At that time, the hangar is to be removed by the lessee, and the lease area is returned to the airport.

The Airport Commission considered the proposed lease at the March 2, 2021 Commission meeting, and unanimously recommended that the City Council approve the lease.

The public interest will be best served by entering into the lease for the generation of revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That the lease amendment with Doug Tiner for hangar M at the airport is hereby approved.
2. That the City Manager is authorized and directed to execute the lease amendment.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____

Approved this 23rd day of March 2021.



Council President

Approved as to form:

Attest:

City Attorney

City Recorder

After recording, return to:
City of McMinnville
Attn: Legal Department
230 NE Second Street
McMinnville, OR 97128

SECOND AMENDMENT TO GROUND LEASE

This Second Amendment to Ground Lease is entered into on this ___ day of _____, 20__ by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as “Lessor”), and **Doug Tiner**, an individual (hereinafter referred to as “Lessee”).

RECITALS:

In 2005, Lessor entered into a Ground Lease with Michael Sheets to lease from Lessor certain premises located at the McMinnville Municipal Airport (“Lease”). That Lease is recorded with the Yamhill County Recorder’s Office as document no. 200506515.

That Lease was assigned to another lessee and also amended in 2006, which assignment and amendment is recorded with the Yamhill County Recorder’s Office as document no. 200602247.

In 2013, the Lease was assigned to Lessee, which assignment is recorded with the Yamhill County Recorder’s Office as document no. 201303484.

The parties desire to amend the Lease to include the provisions provided herein.

NOW, THEREFORE, Lessor and Lessee agree as follows:

1. **Option to Renew.** The Lease is hereby amended to add Paragraphs 41 and 42, relating to Lessee’s option to renew the Lease, as follows:

“41. Option to Renew. Lessee shall have the right, subject to City approval and subject to Lessee meeting the conditions contained herein prior to the expiration of the Initial Term, to renew this Lease for additional renewal terms of five (5) years each (“Renewal Term”), throughout the useful lifetime of the hangar as determined by the provisions set forth in this Paragraph. Not less than ninety (90) days prior to the expiration of the Initial Term, and each Renewal Term approved under the conditions outlined herein, City shall give Lessee written notice of the pending expiration of the then current Lease term and of the inspection requirements outlined in Paragraph 41.1 of this Lease (“Renewal/Inspection Notice”). Provided Lessee meets all conditions of renewal as outlined herein and is not in default of any Lease provision, Lessee’s desire to exercise such right of renewal shall be considered automatic. If Lessee does not desire to exercise the right of renewal, Lessee notify

the City in writing within thirty (30) days of the date of City's Renewal/Inspection Notice, of the intent not to renew the Lease. Such notice of intent not to renew the Lease must contain an outline of Lessee's plans for removal of the hangar at the end of the existing term in accordance with Paragraph 42 of this Lease.

41.1 Renewal Term Inspection Requirements. Within thirty (30) days of the date of the City's Renewal/Inspection Notice, Lessee, at Lessee's sole expense, shall hire an independently licensed professional engineer, architect or building contractor to conduct an assessment and inspection of the hangar based on the criteria set forth herein. Lessee shall cause such inspection and assessment to be completed, and a written report of all findings from the inspection ("Inspection/Assessment Report") to be filed with the City within sixty (60) days of the date of the City's Renewal/Inspection Notice to Lessee. Failure of the Lessee to order such inspection and assessment or to provide the City with the Inspection/Assessment Report as required, shall be considered a violation of the Lease, and shall be grounds for denial of the Renewal Term.

41.2 Inspection/Assessment Report. The Inspection/Assessment Report to be provided to the City shall include, but not be limited to:

41.2.1 A detailed list of any maintenance deficiencies found in the interior and on the exterior of the hangar;

41.2.2 A statement verifying Lessee's compliance with current City of McMinnville Municipal Code Airport Property Regulations and the McMinnville Municipal Airport's adopted Minimum Standards for Commercial Aeronautical Activities, including the limits on storage of hazardous materials and appropriate usage of the Property; and

41.2.3 A structural assessment as to the remaining useful life of the hangar and recommendations for improvements which would increase the useful life expectancy of the hangar.

41.3 Deficiencies Satisfied. Lessee shall satisfy all deficiencies identified in the Inspection/Assessment Report within thirty (30) days of the date of such report. If deficiencies require more than thirty (30) days to correct, Lessee may make a written request to the City Manager for an extension of the standard correction time. The City Manager shall not unreasonably deny the extension. Failure of Lessee to correct each reported deficiency will result in ownership of the hangar reverting to the City.

41.4 Appeal of Deficiencies. If Lessee objects to a deficiency identified in the Inspection/Assessment Report, Lessee may file a written appeal with the City Manager. Such appeal must be submitted to the City Manager within ten (10) days of the date of the Inspection/Assessment Report.

41.5 Approval of Renewal Term. Upon Lessee’s completion of all conditions precedent to the commencement of the Renewal Term, including, but not limited to, the satisfactory correction of all deficiencies identified in the Inspection/Assessment Report, the City shall approve the extension of the Lease for one five-year Renewal Term, or for less than a five-year Renewal Term if the Inspection/Assessment Report reflects the conclusions outlined in the following Paragraph 4.6.

41.6 Final Renewal Term; Removal of Hangar. In the event the Inspection/Assessment Report results in a finding that the anticipated remaining useful life of the hangar is five (5) years or less, the pending Renewal Term shall be deemed to be the last Renewal Term available under this Lease (the “Final Renewal Term”). In such event, Lessee shall agree, as a condition to approval of the Final Renewal Term, to remove the hangar, at Lessee’s expense, at the end of the Final Renewal Term. If the Lessee does not agree to remove the at the end of the Final Renewal Term, the City shall deny the request to renew and Lessee must remove the hangar and surrender the Property to the City within thirty (30) days of the expiration or termination of the Renewal Term then in effect. If Lessee fails to remove the hangar as required, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.

41.7 Compliance with Airport Policy. Notwithstanding any other provision of this Lease, any part of this Paragraph 4 shall be amended as necessary to comply with any Airport policy adopted by the McMinnville City Council following recommendation of the City’s Airport Commission, or its successor, provided that, no such amendment shall shorten a renewal term in effect on the date of policy adoption, or require Lessee to expend additional moneys on hangar improvements during the Renewal Term in effect on the date of policy adoption.

42. Return Of Property At The End Of The Lease. Upon the expiration or termination of this Lease, Lessee shall remove the hangar at Lessee’s sole expense, and surrender the property to the City within thirty (30) days of the date of expiration or termination of the Lease. If Lessee fails to remove the hangar, the City shall consider the hangar a nuisance to be abated in accordance with McMinnville Municipal Code, and after notice to Lessee, may abate the nuisance and charge the Lessee the cost of abatement, plus a penalty as provided in the aforementioned Code.”

2. **Compliance.** The Lease is hereby amended to add Paragraph 43, relating to Lessee’s compliance with federal, state, and local laws and regulations, as follows:

“43. Compliance with Laws and Regulations. Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules, and regulations promulgated and/or enforced by Lessor or by other proper authority having jurisdiction over the conduct of operations at the airport, and to do all things necessary to stay or become in compliance with the same. Lessee further specifically agrees to comply with all requirements of the Federal Aviation Administration (FAA), including but not limited to, those requirements

originating out of the City of McMinnville's relationship with the FAA, or which find their origin in relation to grants or other contractual arrangements between the City of McMinnville and the FAA.

Lessee understands and agrees that the right of ingress and egress to runways, taxiways, and aprons, now and hereinafter designed by Lessor shall be subject to all Airport Rules and Regulations, Minimum Standards, laws, regulations, grant obligations, policies and ordinances now or hereinafter adopted, and that the use of said runways, taxiways and aprons shall be in common with others and that the same shall not be obstructed by Lessee or closed to the right of use or travel by others. Lessor shall provide notice to Lessee prior to any amendments to said documents, the most current versions of which may be obtained from the Airport Manager.

Lessor reserves the right to amend this lease to conform with any changes in Municipal, State or Federal laws, rules, regulations and ordinances. If at any time it is discovered that the provisions of this lease violate or are in any way inconsistent with current or later enacted Municipal, State or Federal laws, rules, regulations, ordinances, FAA policies, orders, advisory circular documents, grant obligations/assurances, or with any obligation the City of McMinnville may have with respect to the FAA, Lessor shall have the right to amend this lease as necessary to make this lease agreement consistent therewith."

3. **Construction.** The Lease is hereby amended to add Paragraph 44, relating to construction at the McMinnville Municipal Airport, as follows:

"44. Construction Activities. Tenant's use of the Premises and/or Airport may be disrupted by certain expansion, improvement, construction, development, remodeling, and/or other activities on or at the Airport, including, without limitation, runway maintenance and repairs. Landlord will not be in default under this Lease (and Tenant will not be entitled to any abatement of Rent and/or other concessions) if Tenant is disrupted (temporarily or otherwise) in the use of the Premises and/or Airport due to the aforementioned activities."

4. All of the other terms and conditions of the Lease shall remain in full force and effect, as therein written. Unless otherwise defined herein, the defined terms of the Ground Lease shall apply to this First Amendment.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment to Ground Lease effective as of the date first above written.

LESSOR:

ACCEPTED on behalf of the public and Lessor by the City of McMinnville, Oregon:

Jeff Towery, City Manager

STATE OF OREGON)
) ss.
County of Yamhill)

This instrument was acknowledged before me on _____, 20__,
by Jeff Towery, as City Manager of the City of McMinnville.

Notary Public – State of Oregon

APPROVED AS TO FORM:

Amanda Guile-Hinman, City Attorney

LESSEE:

Doug Tiner

Doug Tiner

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 20__, by
Doug Tiner.

Notary Public – State of Oregon

2013 00 71504
This is an accomodation recording only. It has not been examined as to its content. Fidelity National Title.

RECORDING COVER SHEET (Please Print or Type)
This cover sheet was prepared by the person presenting the instrument for recording. The information on this sheet is a reflection of the attached instrument and was added for the purpose of meeting first page recording requirements in the State of Oregon, ORS 205.234, and does NOT affect the instrument.

AFTER RECORDING RETURN TO:
Doug Tiner
18801 Central Pt Rd
Oregon City, OR 97045

THIS SPACE RESERVED FOR USE BY
THE COUNTY RECORDING OFFICE

OFFICIAL YAMHILL COUNTY RECORDS
BRIAN VAN BERGEN, COUNTY CLERK

201303484



\$196.00

03/08/2013 2:34:32 PM

RECORDING COVER SHEET (Please Print or Type)
This cover sheet was prepared by the person presenting the instrument for recording. The information on this sheet is a reflection of the attached instrument and was added for the purpose of meeting first page recording requirements in the State of Oregon, ORS 205.234, and does NOT affect the instrument.

AFTER RECORDING RETURN TO:
Doug Tiner
18801 Central Point Rd.
Oregon City, OR 97045

DMR-AGRD MR Cnt=1 Stn=2 ANITA
\$165.00 \$5.00 \$11.00 \$15.00

THIS SPACE RESERVED FOR USE BY
THE COUNTY RECORDING OFFICE

1) **TITLE(S) OF THE TRANSACTION(S)** ORS 205.234(a)
Agreement on Assignment of Lease, Amendment of Assigned Lease, Consent, Assumption

2) **DIRECT PARTY / GRANTOR(S)** ORS 205.125(1)(b) and 205.160
Yamhill County City of McMinnville
535 NE Fifth Street 230 NE Second Street
McMinnville, OR 97045 McMinnville, OR 97128

3) **INDIRECT PARTY / GRANTEE(S)** ORS 205.125(1)(a) and 205.160
Doug Tiner
18801 Central Point Rd.
Oregon City, OR 97045

4) **TRUE AND ACTUAL CONSIDERATION**
ORS 93.030(5) – Amount in dollars or other

5) **SEND TAX STATEMENTS TO:**
Doug Tiner
18801 Central Point Rd
Oregon City, OR 97045

\$ 70,000.00 Other



**AGREEMENT ON ASSIGNMENT OF LEASE,
AMENDMENT OF ASSIGNED LEASE, CONSENT, ASSUMPTION
(Doug Tiner, Yamhill County and City of McMinnville)**

This Assignment of Lease, Consent to Assignment, Amendment of Assigned Lease, and Assumption (Assignment") is made the last date set forth adjacent to the signatures of the parties below between Doug Tiner, 18801 Central Pt Rd, OC, OR, 97045 ("Tiner"), Yamhill County, a political subdivision of Oregon, 535 NE Fifth Street, McMinnville, OR 97128 ("County") and the City of McMinnville, 230 NE Second Street, McMinnville, OR 97128 ("City").

RECITALS.

A. Yamhill County is the current Lessee and the City of McMinnville is the Lessor under a Ground Lease for an Airport Hangar ("Ground Lease"). The Ground Lease was recorded in the Yamhill County Deed and Mortgage Records on April 1, 2005 as instrument number 200506515. Pursuant to the terms of the Ground Lease, the original Lessee, Michael Sheets ("Sheets") constructed a 60' by 60' aircraft hangar at the city's municipal airport. The hangar is known as Building M with a physical address of 3780 NE Cirrus Street, McMinnville, Oregon, 97128. In general, the Ground Lease is for a term expiring January 30, 2040. Upon expiration, the hangar becomes the property of the City of McMinnville. The Ground Lease was assigned from Sheets to Yamhill County under that certain "AGREEMENT ON ASSIGNMENT OF LEASE, AMENDMENT OF ASSIGNED LEASE, CONSENT, ASSUMPTION", signed on February 1, 2006 and recorded in the Yamhill County Deed and Mortgage Records on February 2, 2006 as instrument number 200602247.

B. In December, 2012, by Board Order 12-702 the County declared the Ground Lease and Building M to be surplus County property and advertised the building for sale. On January 24, 2013, by Board Order 13-53 the County accepted an offer for the purchase of Building M and the assignment of the Ground Lease from Doug Tiner and Marvin Coolidge. Together with this Assignment Tiner and County have entered into a Purchase and Sale Agreement for Building M in the amount of \$70,000.00 ("Purchase Agreement"). The Purchase Agreement is attached hereto as Exhibit A and is incorporated herein by this reference.

C. It is necessary for the County to assign the Ground Lease, for the City to consent to this Assignment and an amendment of the lease as assigned, and for Tiner to assume the County's obligations under the Ground Lease. Closing is to occur on March 8, 2013 ("Closing Date") at Fidelity National Title in Clackamas, Oregon. NOW THEREFORE, the parties agree as follows:

AGREEMENT.

SECTION 1 IDENTIFICATION OF PROPERTY SUBJECT TO THIS AGREEMENT

1.1 Identification of the Property. The "Property" referred to in this Assignment consists of the County's interest in the Ground Lease, including all structures thereon as allowed by the Ground Lease and as further detailed in the Purchase Agreement. The Property is sited at the City of McMinnville's municipal airport on Three Mile Lane in McMinnville. The location of the Property is more particularly described in the legal description set forth on page 13 of the Ground Lease and the map depicted on page 14 of the Ground Lease. The Ground Lease is found in the Yamhill County Deed and Mortgage Records as instrument number 200506515.

SECTION 2 ASSIGNMENT OF LEASE

B.O. 13-53

2.1 Assignment of Lease. Effective at the Closing Date, County hereby assigns to Tiner all its right, title and interest in the Property as described in the GROUND LEASE AIRPORT HANGAR between County and the City.

SECTION 3 CONSENT TO ASSIGNMENT

3.1 Consent to Assignment. Effective at the Closing Date, the City consents to the assignment made in Section 2.1 and releases County from liability as provided by Section 6 of the GROUND LEASE AIRPORT HANGAR between County and the City.

SECTION 4 AMENDMENT OF LEASE AS ASSIGNED

4.1 Amendment of Section 4. Effective at the Closing Date, the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned to Tiner, is amended by the removal of the following language from Section 4, "Rent":

"In lieu of rent paid in cash, and when deemed feasible the County, City agrees to accept rent in the form of flight time on a County aircraft calculated at the County's then-effective hourly rate. If County determines payment of rent in the form of flight time is not feasible, County will pay the rent in the form of cash."

4.2 No other changes. Except as provided in Section 4.1, all other terms and conditions of the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned, remain in full force and effect.

SECTION 5 ASSUMPTION

5.1 Assumption by Tiner. Effective at the Closing Date, Tiner assumes all of County's obligations under the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned.

SECTION 6 GENERAL PROVISIONS.

6.1 Attorney Fees. In the event that any party to this Assignment shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

///

///

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///

///

6.2 Integration. This Assignment contains the entire agreement of the parties with respect to the assignment of the Property and supersedes all prior written and oral negotiations and agreements with respect to assignment of the Property. Any modifications, changes, additions or deletions to this Assignment must be approved by Tiner, County and City, in writing.

IN WITNESS WHEREOF Tiner, County and City have executed this Assignment as of the date and year set forth adjacent to their signatures below.

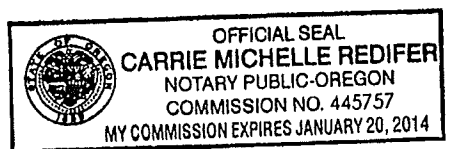
TINER: [Signature] Date: 3/1/13
DOUG TINER

COUNTY: Kathy George Date: 3/7/13
KATHY GEORGE, Chair
Board of Commissioners

CITY: [Signature] Date: 3-7-13
~~KENT TAYLOR~~, City Manager
Acting City of McMinnville, Oregon
City Manager

STATE OF Oregon)
County of Clackamas) ss

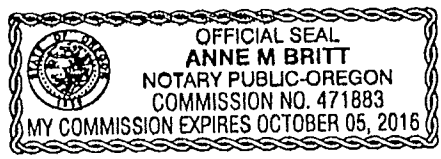
This instrument was acknowledged before me on the 1st day of March, 2013 by Doug Tiner.



[Signature]
Notary Public for
My commission expires: 1-20-14

STATE OF OREGON)
County of Yamhill) ss

This instrument was acknowledged before me on the 7th day of March, 2013 in her official capacity by Kathy George, Chair of the Board of Commissioners of Yamhill County, Oregon.



[Signature]
Notary Public for Oregon
My commission expires: 10/5/16

Accepted by Yamhill County
Board of Commissioners on
1/24/13 by Board Order
13-53
251 of 304

Exhibit "A"

HANGAR BUILDING PURCHASE AND SALE AGREEMENT

EFFECTIVE DATE: March ~~February~~ 1st 2013

SELLER: Yamhill County
434 NE Evans
McMinnville, OR 97128

BUYER: Douglas M. Tiner
18801 Central Point Road
Oregon City, OR 97045

COPY

A. Seller owns a certain 60' by 60' hangar building, known as Building "M", located at 3780 NE Cirrus Street, McMinnville, Oregon 97128 (the "Building"). Seller desires to sell the Building to Buyer and Buyer, having inspected the Building, desires to purchase the Building from Seller and Buyer shall also assume from Seller the associated ground lease premises further described herein. The ground lease premises are more fully described on Exhibit A attached hereto and incorporated herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. SALE AND PURCHASE. On the terms and conditions contained in this Agreement, Buyer shall buy the Building from Seller and Seller shall sell the Building to Buyer for the sum of Seventy Thousand and 00/100 Dollars (\$70,000.00) (the "Purchase Price"). Buyer shall pay the Purchase Price in cash at closing ("Closing")

(a) Assignment of Ground Lease. Effective at Closing, Seller shall assign to the Buyer all Seller's right, title and interest in that certain Ground Lease dated March 21, 2005 "GROUND LEASE AIRPORT HANGER" (the "Ground Lease"), attached hereto as Exhibit B and incorporated herein by this reference. The Ground Lease was first assigned to Seller pursuant to that certain "Agreement on Assignment of Lease, Amendment of Assigned Lease, Consent, Assumption" dated February 1, 2006 (the "Assignment"), attached hereto as Exhibit C and incorporated herein by this reference. The draft Assignment of Ground Lease document is attached hereto as Exhibit D, and incorporated herein by this reference.

Section 2. CLOSING. Closing shall take place simultaneously with the closing of the assignment of the Ground Lease (the "Closing Date") at the offices of Fidelity National Title Company in Clackamas, Oregon ("Escrow Holder"). Each party shall pay one-half of the escrow fees and closing and recording costs. All utilities, property taxes and assessments will be prorated as of the Closing Date.

Section 3. TITLE REPORT. Prior to closing Seller shall deliver to Buyer a preliminary title report prepared by Escrow Holder showing the condition of title to the Building and the Ground Lease, together with all exceptions listed therein.

Section 4. DAMAGE AND DESTRUCTION. Seller shall retain all risk of loss until Closing.

Section 5. DELIVERY OF INFORMATION. Prior to the Closing Date Seller will deliver to Buyer all documents, instruments and information Seller has in its possession relating to the Building including any building plans, blueprints, manufacturer's specifications or similar documents relating to the Building, if any ("Building Information").

Section 6. PROPERTY TAXES. All real and personal property ad valorem taxes and special assessments, if any, owing on the Building for tax year 2001-2012 or for prior years, whether payable in installments or not, shall have been paid by Seller prior to the Closing Date. Buyer shall be responsible for all taxes and assessments, including but not limited to real and personal property ad valorem taxes and special assessments, owing on the Building for tax year 2012-13 or for subsequent years, whether payable in installments or not.

Section 7. SELLER'S REPRESENTATIONS. Seller represents and warrants to Buyer, to the best of Seller's knowledge, without duty to investigate, as follows:

7.1 Seller has good and marketable title to the Building, free and clear of all liens, security interests and other charges and encumbrances.

7.2 To the best of Seller's knowledge, Seller has received no notice from any governmental agency of any present violation of any statute, law, ordinance, or deed restriction, rule, or regulation with respect to the Building.

Section 8. BUYER'S REPRESENTATIONS. Buyer has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder.

Section 9. CONDITION OF THE BUILDING.

9.1 Condition of the Building: "AS IS". EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES WITH RESPECT TO THE BUILDING. EXCEPT AS EXPLICITLY SET FORTH IN THIS AGREEMENT, SELLER SPECIFICALLY DISCLAIMS ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO BUYER, IT BEING THE EXPRESS INTENTION OF SELLER AND BUYER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE BUILDING WILL BE CONVEYED AND TRANSFERRED TO BUYER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. BUYER WILL ASSUME THE RISK THAT ADVERSE MATTERS MAY NOT HAVE BEEN IDENTIFIED BY BUYER. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT.

9.2 Release. Buyer, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges Seller, its agents, partners, affiliates, successors and assigns from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement, which Buyer has or may have in the future, arising out of the physical, environmental, economic or legal condition of the Building, except as expressly provided in this Agreement.

Section 10. BINDING EFFECT; ASSIGNMENT. This Agreement is binding on and shall inure to the benefit of Seller, Buyer, and its respective heirs, legal representatives, successors, and assigns. Buyer may assign its interest in this Agreement only with Seller's prior written consent, which consent shall not be unreasonable withheld, conditioned or delayed. Buyer shall remain liable under this Agreement after any assignment of its interest herein.

Section 11. REMEDIES FOR DEFAULT. If either party defaults in their obligations under this Agreement then either party shall have the right to bring an action for damages against the applicable party.

Section 12. ATTORNEY FEES. If an attorney is engaged or directed to enforce any term of this Agreement by either party, whether or not an action is instituted, each party shall be responsible for their own attorney fees and costs, including without limitation, those reasonable attorney fees and costs incurred in arbitration, and in the event of trial, as set by the trial court and, in the event of appeal, as set by the appellate courts.

Section 13. ENTIRE AGREEMENT. This Agreement, and the attached Exhibits, set forth the entire understanding of the parties with respect to the purchase and sale of the Building. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.

Section 14. VENUE AND GOVERNING LAW. This Agreement shall be construed under and in accordance with the laws of the state of Oregon and any litigation arising from this Agreement shall be filed in Yamhill County Circuit Court, McMinnville, Oregon. Each of the parties hereto consents to the jurisdiction and venue of the Yamhill County Circuit Court, McMinnville, Oregon.

Section 15. SEVERABILITY. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 16. WAIVER. No waiver by Buyer or Seller of a breach of any of the terms, covenants and conditions of this Agreement by the other party shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default by Buyer or Seller hereunder shall be implied from any omission by the other party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect a default other than as specified in such waiver.

Section 17. TIME. Time is of the essence under this Agreement.

Section 18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, provided each of the parties hereto executed at least one counterpart; each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

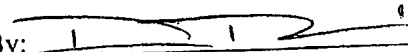
(Signature page follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

BUYER:

SELLER:

YAMHILL COUNTY

By: 
DOUGLAS M. TINER

By: _____
KATHY GEORGE, Chair

Attachments

Exhibit A –Description of Building

Exhibit B – Ground Lease

Exhibit C – Agreement on Assignment of Lease, Amendment of Assigned Lease, Consent, Assumption, 2006

Exhibit D - Agreement on Assignment of Lease, Amendment of Assigned Lease, Consent, Assumption, 2013

EXHIBIT A

Ground Lease Premises

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South $0^{\circ}13'32''$ West 230.00 feet to the southwest corner of said MCMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearings per plat of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South $23^{\circ}42'04''$ West 125.45 feet; thence North $89^{\circ}46'28''$ West 70.00 feet; thence North $89^{\circ}46'28''$ West 10.00 feet to the TRUE POINT OF BEGINNING; thence North $89^{\circ}46'28''$ West 70.00 feet; thence South $0^{\circ}13'32''$ West 70.00 feet; thence South $89^{\circ}46'28''$ East 70.00 feet; thence North $0^{\circ}13'32''$ East 70.00 feet to the TRUE POINT OF BEGINNING.

EXHIBIT B

Ground Lease

(see attached)

Post-it Fax Note	7671	Date	5/27/05	# of pages	▶
To	John Gray	From	D. Schultz		
Co./Dept.		Co.			
Phone #		Phone #	503.434.2312		
Fax #	503.434.2593	Fax #			

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK



\$91.00

200506515

9:54:16 AM 4/01/2005

DMR-LDMR Cnt=1 Stn=3 KENTV
\$70.00 \$10.00 \$11.00

GROUND LEASE AIRPORT HANGAR

The parties hereto are the CITY OF McMINNVILLE, a municipal corporation of the State of Oregon, Lessor, and MICHAEL SHEETS, Lessee,

FOR AND IN CONSIDERATION of the mutual covenants hereinafter contained,

the parties agree as follows:

1. **Lease and Description.** Upon the terms and conditions hereinafter set forth, the Lessor does hereby lease to Lessee and the Lessee does hereby lease from Lessor those certain premises situated in the City of McMinnville, County of Yamhill, State of Oregon, being a part of the McMinnville Municipal Airport, and being described as set forth on Exhibit "A" attached hereto and made a part hereof and hereinafter called "premises". The Lessee shall construct improvements on the premises, which improvements shall remain the property of the Lessee, its successors and assigns, during the terms of this Lease.

2. **Business Purpose.** The premises are to be used solely for the use of aircraft hangar buildings and facilities. The Lessee intends to construct on the premises an aircraft hanger building which is to be used for aeronautical purposes and specifically for the purpose of parking and storing aircraft, and for maintenance and other routine activities associated with aircraft ownership. The owners and occupants of units shall not engage in any other use of the premises without prior written consent from Lessor. The Lessee shall conduct and carry on in said premises only the business for which said premises are leased, and shall not use the premises for illegal purposes.

3. **Term.** The term of this lease shall be for 35 years, and shall commence February 1, 2005, and end at midnight on January 30, 2040. All of the terms and conditions of this lease, other than the rental shall remain the same.

4. **Rent.** The rent for said premises for the first year of this Lease, commencing upon execution hereof, shall be computed at the rate of \$0.1983 per square foot, based upon the

After Recording City of McMinnville
Return To: 230 NE 2nd Street
 McMinnville, Oregon 97128

Send Tax Statements To: n/a

entire lease site consisting of 4,900 square feet, together with additional rental in the form of all property and other taxes which are assessed against the premises during the terms of this lease. The said taxes shall be paid to the Yamhill County Tax Collector at such time as they are billed by the Yamhill County Tax Assessor each year commencing with the first tax statement received by Lessee. The rent for the period February 1, 2005 to June 30, 2005, is due upon execution of the lease. Thereafter, such rent shall be paid to Lessor annually in each succeeding year until this lease is terminated, and shall be mailed or delivered by hand to Lessor at City Hall, 230 NE Second Street, McMinnville, Oregon 97128, unless a different address is specified in writing by Lessor.

5. **Future Rental Periods.** Commencing on July 1, 2005 and once every year thereafter, the annual rental sum shall be adjusted based upon the CPI-W for Portland, Oregon, for the period July 1 through June 30 preceding such determination; provided, that the rent for said rental period shall not be more than ten (10) percent higher than the rent fixed for the prior lease year. Lessor shall bill lessee on or about September 1 for the year's total amount. Rent will not be considered late if paid within 30 days of billing.

a) The basic per square foot ground lease figure (\$0.1983) established at the commencement of this lease shall be reviewed every five years on the anniversary date of this Lease, commencing 2010, and shall be adjusted following each review to reflect any increase in the then current market value of airport property being leased in the State of Oregon and Washington with emphasis upon the Willamette Valley. If the basic ground lease values are found to be greater than the fee then being charged, then the ground cost per square foot shall be so increased to the median value.

b) **Late Charges.** The pro-rated rent shall be due and owing upon execution of this lease. Thereafter the rent shall be billed annually as stated in Paragraph 4. In the event rent is not timely paid, Lessor may assess, and the Lessee shall pay upon any installment of rent or portion thereof not paid within thirty (30) days after such rent installment is due and payable, a late charge penalty for each month or fraction thereof during which the rent or a portion thereof is not paid, equal to five (5) percent of the amount of such rent or portion thereof (plus accrued late charge penalties, if any) due and payable, or, if the rent due and owing is not paid within 30 days after becoming so due and owing, Lessor, at Lessor's election, may terminate this lease in its entirety. The amount of the late charge penalty shall be added to the amount due each month, and the total thereof shall be subject to a late charge for each succeeding month or fraction thereof in the amount of five (5) percent of the total rental due for said period.

6. **Assignment of Lease; Release of Lessee.** At such time as Lessee may convey said leasehold to a third party, Lessor shall release Lessee from all liability with respect to the rent reserved by and the covenants, conditions, and stipulations contained in this lease, and all actions, proceedings, claims and demands with respect to any future breach, whether present or future, or any such covenants, conditions, and stipulations, provided Lessee first submits to Lessor for its approval the prospective successor Lessee. Denial of the sale or lease shall not be unreasonably withheld by Lessor. See Paragraph 16.

7. **Building Construction on Premises.** Any building construction proposed on the premises shall be approved by the Lessor. Any buildings so constructed shall be done strictly in accordance with full plans and specifications, including drawings and elevations showing the

appearance and color of the finished building, to be filed with the Lessor prior to commencing construction. The building(s) shall be placed upon the lot at the location shown on the plot plan submitted to the Lessor or its designated official, which location must be first approved by the Lessor's City Manager. Any excess soil from this construction shall be removed from the site by the Lessee to a location determined by the Lessor's designated official. Area disturbed by construction shall be re-seeded to prevent erosion and be graded so that area can be mowed.

- a) **Construction Commencement.** Unless construction of the building to be located upon the premises is commenced within one hundred eighty (180) days of the date this lease is executed and the initial building completed within one hundred eighty (180) days after the commencement of construction, the Lessor shall have the right upon giving sixty (60) days' written notice to the Lessee to terminate this lease. In the event of such termination, the Lessor may retain all rents therefor received by it, and all rights of the Lessee shall absolutely terminate. In the event any rent is owing by the Lessee at the effective date of termination pursuant to said notice, the Lessee shall pay said rent within ten (10) days of said effective date. It shall be the responsibility of the Lessee to secure at Lessee's sole expense all permits and approval required for the use of the premises and construction of any building thereon.
- b) **Signs.** All signs and symbols placed in the windows or doors or elsewhere about the premises, or upon the exterior part of the buildings, shall be subject to the approval of the Lessor or Lessor's agents. In the event the Lessee places signs or symbols on the exterior of said buildings or in the windows or on doors or elsewhere where they are visible from the street that are not satisfactory to the Lessor or Lessor's agents, the Lessor or Lessor's agents may immediately demand the removal of such signs or symbols, and the refusal of the Lessee to comply with such demand within a period of twenty-four (24) hours will constitute a breach of this lease, and entitle the Lessor to immediately recover possession of said premises in the manner provided by law. Any signs so placed on the premises shall be so placed with the understanding and agreement that the Lessee will remove the same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee, then the Lessor may have the same removed at Lessee's expense. In installing any signs, the Lessee shall conform to all requirements of applicable laws and regulations and pay any applicable fees.

8. Termination of this Land Lease. This lease shall be terminated if Lessee is unable to obtain the necessary building permits for the construction of said hangar. Failure of Lessee to pay permit fees or to complete construction because of a building code violation is not grounds for termination of the lease by Lessee.

9. Clearing and Grading Premises. The Lessee shall perform at the Lessee's own expense any clearing or grading of the premises required. Grading and clearing shall be done to such standards and on such grades as the Lessor may require. The Lessee shall secure any grading permits that may be required prior to commencement of any grading.

10. Repairs. The premises have been inspected and are accepted in their present condition and Lessee will at all times keep the premises neat, clean, and in a sanitary condition. Any buildings placed upon the leased premises by Lessee will be maintained in a neat and clean condition. Lessee will replace any glass of all broken windows and doors of the buildings as

may become cracked or broken, and except for reasonable wear and tear and damage by fire or other unavoidable casualty, will at all times present said premises in as good repair as they were at the time of construction. All repairs shall be at Lessee's sole cost and expense.

11. **Utilities.** The Lessee hereby covenants and agrees to pay all monthly or other regular charges for heat, light and water, and for all other public utilities which shall be used in or charged against the leased premises during the full term of this lease. Lessee is responsible for providing permanent utilities to the site that are in accordance with established city standards regarding size and materials subsequent to the date a building permit is issued for construction of any proposed buildings. Lessee shall pay for and install drainage utilities as required for the site. No occupancy shall occur until permanent utilities to the site have been installed in accordance with Lessor's requirements. Any temporary utilities required shall be at Lessee's expense.

12. **Off Site Improvements:** In the event that Lessee installs and pays for any off site improvements at the request of and prior written agreement of Lessor, including, but not being limited to a taxiway, the costs incurred by Lessee shall be a credit toward future rental payments under this lease.

13. **No Occupancy of Building(s) Prior to Issuance of Certificate of Occupancy.** The Lessee shall not occupy or use any building hereafter erected on the premises until a certificate of occupancy thereof shall have been issued.

14. **Care of Premises.** The Lessor shall not be called upon to make any improvements or repairs of any kind upon said premises and said premises shall at all times be kept and used in accordance with the laws of the State of Oregon and ordinances of the City of McMinnville, and in accordance with all directions, rules and regulations of the health officer, fire marshal, building official, or other proper officer of any pertinent and authorized public authority, at the sole cost and expense of the Lessee. The Lessee will neither commit nor permit any waste, damage, or injury to the premises and, at Lessee's own cost and expense, will keep all drainage pipes free and open and will protect water, heating, and other pipes so that they will not freeze or become clogged, and will repair all leaks, any damage caused by leaks or by reason of the Lessee's failure to protect and keep free, open, and unfrozen any of the pipes and plumbing on said premises.

15. **Liens and Insolvency.** Lessee shall keep the leased premises and the property on which the leased premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. If the Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for the business of the Lessee, the Lessor may cancel this lease at the Lessor's option.

16. **Assignment and Subletting.**

a) **Assignment.** This lease may be assigned by the Lessee in whole only and not in part, and only with the prior written consent of the Lessor.

In the event of an assignment, such assignment may only be made to an assignee for a use of the premises as set forth in Paragraph 2 of this lease.

Subject to the provisions of Paragraph 5 herein, the assignee must be shown to the Lessor to be of such financial standing and responsibility at the time of such assignment as to give reasonable assurance to the Lessor of prompt payment of all rents and other amounts to be paid under this lease, and of full compliance with all other terms, covenants, conditions, and provisions of this lease. No such assignment may be made or be of any force or effect if at the time of such assignment the Lessee is in default in any of the terms, covenants, conditions, and provisions of the lease, including default in the payment of rent; provided, however, the assignee may cure the default(s) prior to taking possession of the premises. No such assignment for any purpose shall be of any force or effect unless the Lessor first shall have consented, in writing, to said assignment and has received a true copy of the proposed assignment. The Lessor may refuse to consent to such assignment for any purpose herein above set forth. Such assignment shall include the then unexpired balance of the term of this lease.

- b) **Subleases.** The Lessee may sublet the whole or any portion of any buildings on the premises, but not the real property, to a sublessee; provided: (1) the Lessor has given its consent in writing prior to the sublease being effective and; (2) the Lessor has received a true copy of the proposed sublease.
- c) **Rentals.** The Lessee may rent hangar space for the purposes described in Paragraph 2 of this lease on a month-to-month basis to sublessee provided: (1) the Lessee submits and receives Lessor's approval of the proposed rental space; (2) the Lessee enters into hangar rental agreements only upon forms pre-approved by the Lessor; (3) the Lessee keeps the Lessor informed of the name, address, telephone number, and aircraft registration number of all current hangar sublessees; (4) the Lessee charges monthly hangar rental fees no less than the rates now or in the future charged by the Lessor for comparable hangars; (5) the Lessor reserves the right to object for cause to any specific hangar rental sublessee and reserves the right to require the Lessee to terminate the hangar rental agreement of such objectionable sublessee within sixty (60) days of notice of objection.
- d) **Default.** If all or any part of the leased premises are sublet or occupied by anybody other than the Lessee, the Lessor may, after default by the Lessee, collect rent from any and all sublessees or occupants, and apply the net amount collected to the rent reserved herein, but no such collection shall be deemed a waiver of any agreement, term, covenant, or condition hereof, nor the acceptance by the Lessor of any sublessee or occupant as a Lessee.

17. **Access.** The Lessee will allow the Lessor or the Lessor's agents free access at all reasonable times and upon at least twenty-four (24) hours notice to said premises during normal business hours for the purpose of inspection. Nothing herein shall be construed in any way as limiting the authority of the Lessor's building official under existing law.

18. **Liability Insurance.** Lessee shall at all times carry and maintain liability insurance in a company or companies rated in the current edition of Best's General Ratings as, at least, A (Excellent), and Financial Size Category of not less than Class X, or in such other company or companies not so rated which may be acceptable to Lessor, insuring Lessee against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts or negligence of the Lessee, its agents, employees or servants, or by any means of transportation whatsoever, including owned, non-

owned, and hired automobiles, to the extent required by the Oregon Tort Claims Act, as now in existence or as amended hereafter. Lessor shall be named in all such policies as an additional insured, and a duplicate certified true copy of the original of such insurance policy or policies shall be furnished to Lessor. Each such policy shall provide that the policy may not be canceled without the company first giving Lessor at least thirty (30) days' written notice.

19. **Accidents - Indemnity.** All personal property on said leased premises shall be at the risk of the Lessee. Lessor shall not be liable for any damage, either to person or property, sustained by the Lessee or others, caused by any defects now at said premises or hereafter occurring therein, or due to the condition of any buildings hereafter erected to any part or appurtenance thereof becoming out of repair, or caused by fire, or by the bursting or leaking of water, gas, sewer, or steam pipes, or from any act or neglect of Lessee, its employees, Lessees, or other occupants of said buildings, or any other persons, or due to the happening of any accident from any cause in or about said buildings. Lessee covenants to protect, save, and indemnify Lessor, its elected and appointed officials, and employees while acting within the scope of their duties as such, from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Lessee's employees or third parties on account of personal injuries, death, or damage to property arising out of the premises or in any way resulting from the willful or negligent acts or omissions of the Lessee and/or its agents, employees, or representatives.

20. **Fire Insurance.** The Lessee shall at all times and specifically during construction carry at its own expense fire insurance, hazard insurance, and vandalism and malicious mischief insurance on all buildings existing or hereafter constructed on the premises acceptable to the Lessor which policy or policies shall name Lessor as an additional insured as to the value of Lessor's interest as determined hereinafter, and to the extent of at least eighty percent (80%) of the value of the buildings. The original policy, a duplicate certified true copy, or such other evidence of insurance as the Lessor shall have agreed in writing to accept, shall be on deposit with the Lessor's Clerk at all times during the term hereof. Each such policy shall provide that the policy may not be canceled without the insurer first giving the Lessor at least thirty (30) days' prior written notice. No such policy shall contain a deductible clause greater than one thousand dollars (\$1,000) per claim. In the event of loss, the Lessee shall pay such deductible sum.

21. **Application of Fire Insurance Proceeds in Event of Loss.**

- a) **Total Destruction:** "Total destruction" or "Totally destroyed" means destruction to an extent exceeding fifty (50) percent of the sound value of the building. If any building constructed on the leased premises is totally destroyed by fire, earthquake, or other casualty during the term of this lease, and if the Lessee desires to rebuild, the proceeds of the insurance shall be used for the purpose of rebuilding such building. If the Lessee elects not to rebuild, the proceeds of any insurance shall be payable on a pro rata basis to the Lessor and Lessee in such proportions as to cause the unpaid portion of the lease payment for the unexpired portion of this lease to be paid in full to Lessor by the Lessee based upon the total number of years in the term of this lease and the number of years remaining.

If the Lessor and Lessee are unable to agree regarding the disposition of insurance proceeds therefor, the parties shall submit the matter to arbitration pursuant to the rules

and regulations established by the Supplementary Trial Court Rules of the Circuit Court of The State of Oregon for the Twenty-fifth Judicial District. The parties may select any such alternative arbitrators, arbitration committee, or method as agreeable between the Lessor and Lessee. The decision of the majority of said arbitrators shall be binding upon the Lessor and Lessee, unless successfully modified by a court of law.

- b) **Partial Destruction:** "Partial Destruction" means destruction to an extent not to exceed fifty percent (50%) of the sound value of the building. In the case of partial destruction, the proceeds shall be used by Lessee for repairing the damage. The Lessee shall give to Lessor written notice of loss immediately and a notice of intention to rebuild within sixty (60) days of loss. If the Lessee fails to give notice of intention to rebuild within the time specified, the Lessor shall then have the option to rebuild and shall give the Lessee notice in writing of such intention within one hundred twenty (120) days after receiving written notice of loss from the Lessee, subject to such policy conditions governing the replacement cost provisions therein. If either the Lessor or the Lessee elects to rebuild as above provided, such party shall prosecute the work of such rebuilding or repairing without delay. If both the Lessor and Lessee fail to give notice of intention to build as aforesaid within the times specified, both the Lessor and Lessee, or either of them, shall have the right to declare this lease terminated by written notice served upon the other party as provided in Paragraph 24 herein. It is understood that if the Lessee sublets the premises and passes the expense of fire, earthquake, or other casualty insurance or of liability insurance on to the sublessee, then Lessee will require all insurance policies required under the sublessee to name both the Lessor and Lessee (but as Lessor thereunder) as an additional insured as required above, as their interests may appear. Any sublease shall reflect the provisions of this lease as to the selection of the insurer and the amount and nature of coverage.

22. **Recovery of Leased Premises.** The Lessor is authorized to recover the premises from the Lessee in the event that the Airport Commission for the City of McMinnville determines the premises are required for another airport purpose. In the event such a determination is made and the Lessor elects to recover the premises, Lessor shall compensate Lessee for the value of the remainder of this lease and the improvements constructed on the premises. Lessor and Lessee agree to each retain an MAI appraiser to determine the value of the remainder of this lease and the improvements on the premises. If those appraisers are unable to agree on a value, a third appraiser shall be appointed by the senior judge of the Circuit Court for Yamhill County and that appraiser's valuation shall be conclusive and binding upon both parties. The value of the improvements shall be pro-rated based upon the remaining unused portion of the term of this lease as that portion relates to the total term of this lease.

23. **Lessee's Right of Cancellation.** In addition to any other remedies available to the Lessee, this agreement shall be subject to cancellation by the Lessee should any one or more of the following occur:

- a) **Abandonment of Airport.** The permanent abandonment of the airport as an operating airport by act or decision of the Lessor;
- b) **Supervening Event.** The occurrence of any supervening event or act of God which precludes the Lessee, and any assigns of the Lessee, from the use of the property for the purposes stated herein or from the use of airport facilities. Neither Lessee nor Lessor

shall have any liability under this subparagraph for any supervening event or act of God under any theory on which recovery may be sought;

- c) **Lessor Breach of Lease.** The breach by the Lessor of any of the covenants, terms, or conditions of this lease to be kept, performed, and observed: by the Lessor and the failure to remedy such breach within a period of sixty (60) days after written notice from the Lessee of the occurrence of the breach;
- d) **Federal Government or Other Governmental Agency Control.** The assumption by the federal government or any other governmental agency of the control of the airport or any portion thereof which would preclude the Lessee from operating under the terms of the lease. Neither Lessor nor Lessee shall have any liability for loss of use occasioned by act of the federal government or any other government agency.

24. Ownership of Constructed Improvements After Termination of Lease.

During the pendency of this lease, all buildings and improvements on the property shall be owned entirely by the Lessee and its successors and assigns. Subject to the right of the Lessee's financing institution to assume the Lessee's rights and obligations herein, in the event of the Lessee's default to said financing institution, upon termination of this Lease, the building alterations, additions, and improvements made by the Lessee to the property shall become the sole property of the Lessor, and the ownership of said improvements shall be vested in fee simple in the Lessor, subject to the recorded rights of any financing institution for the remaining lease and sublease terms. Upon termination of this Lease, the Lessor may elect to accept the premises or may, upon reasonable notice to the Lessee, require the premises to be surrendered in the same condition as existed at the time of execution of this Lease. Upon termination of this Lease, the premises shall be surrendered without notice in a neat and clean condition. All keys to all buildings on the premises shall be surrendered to the Lessor.

The Lessee may install in the leased premises such fixtures and equipment as the Lessee deems is desirable at the Lessee's own expense. All such items shall remain the Lessee's property and may be removed by the Lessee at or before termination of this Lease, PROVIDED that the Lessee shall repair any damage to the premises caused by such removal.

25. Notice. All notices and consents hereunder shall be given in writing, delivered in person or mailed by certified mail, postage prepaid, to the receiving party at its address below, or to such other address as the receiving party may notify the sender beforehand referring to this lease:

LESSOR: CITY OF McMINNVILLE
230 NE 2nd Street
McMinnville OR 97128

LESSEE: Michael Sheets
NIKE BOX 409
KATCHIKAN AK 99950

26. Governmental Fees. All fees due under applicable law to the City, County, or State on account of any inspection made on leased premises by any officer thereof shall be paid by the Lessee.

27. **Default and Re-Entry.** Unless resulting from events enumerated in Paragraphs 19, 20, or 22 herein, if any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if the Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may cancel this lease upon giving 120 days' notice and re-entering said premises, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and the Lessee covenants and agrees to make good to the Lessor any deficiency arising from a re-entry and re-letting of the premises at a lesser rental than herein agreed to.

28. **Costs and Attorney's Fee.** The prevailing party shall be entitled to recover reasonable attorney's fees and costs in such amount as are fixed by the trial or appellate court, and all costs and expenses incurred by reason of the breach or default by the other under this lease, whether or not an action is filed.

29. **Breach of Lease by Lessee.**

Each of the following shall be deemed a default or breach of this lease:

- a) Nonpayment of the whole or any portion of the rents herein reserved, or any other sum or sums of money due to Lessor from Lessee under the provisions hereof as and when due;
- b) Nonperformance by Lessee of any other covenant or condition herein contained on the part of lessee to be kept and performed;
- c) Abandonment of the premises by Lessee; or
- d) The adjudication of Lessee as bankrupt, the making by Lessee of a general assignment for the benefit of creditors, the taking by Lessee of the benefit of any insolvency act or law, or the appointment of a receiver or trustee in bankruptcy.

Within thirty (30) days after written notice from Lessor to Lessee demanding performance, Lessor may declare a forfeiture of this lease and re-enter upon the premises and remove all persons and property therefrom, and in addition or in lieu thereof, Lessor may, at its option, pursue any other remedy provided by law or in equity for the enforcement of Lessor's rights under the provisions of this lease.

In the event of breach of any condition or term contained herein by Lessee, in addition to the terms of the agreement, the Lessor shall have the right to terminate this lease upon giving written notice as provided in Paragraph 24 herein.

30. **Nonwaiver of Breach.** The failure of either party to insist upon strict performance of any of the covenants and conditions of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such strict performance as to any subsequent breach by Lessee of any kind whatsoever that is created by the other party of any other covenants or conditions, or of the exercise of any such option, and the same shall be and remain in full force and effect.

31. **Removal of Property.** In the event of any entry on or taking possession of the premises as aforesaid, the Lessor shall have the right, but not the obligation, to remove from the premises all personal property located therein or thereon and may store the same in any place selected by Lessor, including, but not limited to, a public warehouse, at the expense and risk of the owners of the said property. Unless otherwise provided by law, Lessor shall have the right to sell such stored property; without notice to the owner thereof after the property has been stored for a period of at least sixty (60) days, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance, if any, to be paid to the owner thereof.

32. **Heirs and Successors.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and conditions of this lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors, and assigns of any of all of the parties hereto.

33. **Holding over.** Should the Lessee, without the prior written consent of the Lessor, hold over after the expiration of the term of this lease, Lessee agrees to pay Lessor monthly rental as shall be established by Lessor.

Should the Lessee, with the prior written consent of the Lessor, hold over after the expiration of the terms of this lease, Lessee agrees to pay Lessor the rate of rental as set forth by this lease, unless a different rate is agreed upon.

In either event Lessee shall also be bound by all of the terms, covenants, and conditions as herein specified, so far as possible.

34. **Lessor's Ownership.** Lessor warrants that it is the owner of the leased premises and that it has the right to lease said premises under the terms of this lease. Lessor will defend Lessee's right to quiet enjoyment of the premises from disturbance by anyone claiming by, through, or under Lessor.

35. **Nondiscrimination.**

- a) The Lessee, for itself, its representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree as a covenant running with the land that, in the event facilities are constructed, maintained, or otherwise operated on said property described in this lease for a purpose for which a Department of Transportation permit is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.
- b) The Lessee, for itself, its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from the participation in, denied the benefits of, or be otherwise subjected to

discrimination in the use of said facilities; or (2) in the construction of any improvements in, over, or under such land and the furnishings of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said regulations may be amended.

- c) In the event of breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate this lease and to re-enter and repossess said premises and facilities thereon and hold the same as if said lease had never been made or issued.

36. Hazardous Substances. The Lessee shall not permit hazardous substances, including any substances, materials, wastes, pollutants, oils or regulated substances, or substances defined or designated as hazardous, toxic, radioactive, dangerous, or any other term in or under any environmental laws which may affect environmental or human health, to exist on the premises without complying with all rules, regulations, and policies of the State of Oregon and the United States Environmental Protection Agency. Lessee shall promptly notify the City Fire Department of the existence of any hazardous substances as required by state and federal regulations and shall comply with any requirements for hazardous waste disposal as may be imposed by applicable federal and state laws.

37. Motor Vehicle Parking on Premises. At any time when the Lessee is making use of aircraft, Lessee shall be permitted to park all motor vehicles within the aircraft hanger buildings. Such vehicles shall, at all times be parked within the premises.

38. Parking Aircraft on Premises. The Lessee shall at no time store any aircraft or permit any aircraft to be stored on the exterior portion of the premises. The Lessee has the right to hangar aircraft on said leased premises and the right to charge hangar rental fees at rates no less than those rates now or in the future charged by the City of McMinnville for comparable hangars. Aircraft may be parked on the exterior portion of the leased premises only for loading, unloading, fueling, and other purposes associated with short-term maintenance.

39. Venue. The venue of any suit, claim, demand, or proceeding which may be brought by either party under the terms of this lease or growing out of the tenancy under this lease shall be at the option of the Lessor in court(s) in Yamhill County, Oregon.

40. Site Plan. Where reference is made in this lease to a plot plan or site plan, it is understood and agreed between the parties that such plan must include, at a minimum, those matters hereinafter set forth and shall be in the form of a scale drawing of the entire premises with all of those matters set forth to scale and legibly thereon:

- a) Location of all structures and sizes thereof, together with size and location of any future structures which the Lessee anticipates may be placed on the premises;
- b) Location of all roads, driveways, entrances, and exits;

- c) Location of all parking areas and description of method of delineating such areas by curbs or other methods;
- d) Location of all utilities and, in case of underground utilities, mention thereof;
- e) Interior and exterior drainage;
- f) Location and type of all fencing and gates;
- g) Site and exterior building lighting.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the 21ST day of MARCH, 2005.

Lessor:

CITY OF McMINNVILLE

By *[Signature]*
City Manager

ATTEST:

By *[Signature]*
City Clerk

Lessee:

By *[Signature]*

By _____

Matt Dunckel & Assoc.
3765 Riverside Drive
McMinnville, OR 97128
Phone: 503-472-7904
Fax : 503-472-0367
Email: dunckel@viclink.com

Date: 14 October 2004

MIKE SHEETS - Legal description of Lease Legal (BUILDING M).

A tract of land in Section 26, Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Northwest corner of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS; thence South 0°13'32" West 230.00 feet to the southwest corner of said MCMINNVILLE AIRPORT CONDOMINIUM HANGERS (Basis of Bearings per plat of MCMINNVILLE AIRPORT CONDOMINIUM HANGERS); thence South 23°42'04" West 125.45 feet; thence North 89°46'28" West 70.00 feet; thence North 89°46'28" West 10.00 feet to the TRUE POINT OF BEGINNING; thence North 89°46'28" West 70.00 feet; thence South 0°13'32" West 70.00 feet; thence South 89°46'28" East 70.00 feet; thence North 0°13'32" East 70.00 feet to the TRUE POINT OF BEGINNING.

10 - 12 - 114

Map for:

Mike Sheets

Location: The East 1/2 of Section 26, T.4 S., R.4 W., W.M.,
a portion of the John White D.L.C. No. 82,
Yamhill County, Oregon.

Tax Lot: 4426-100

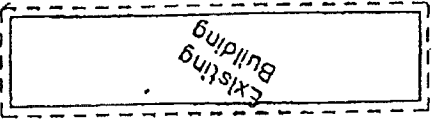
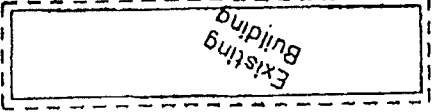
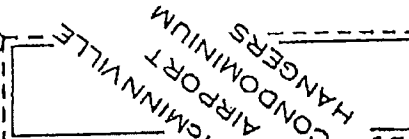
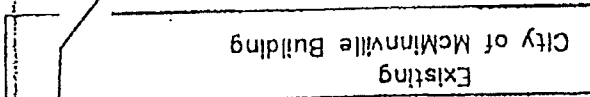
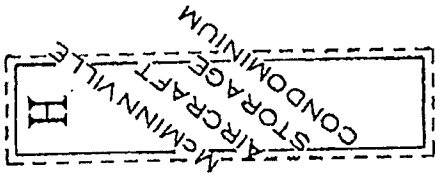
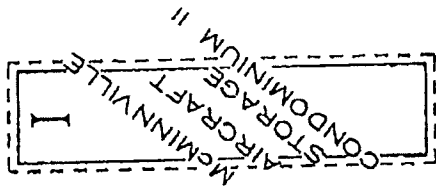
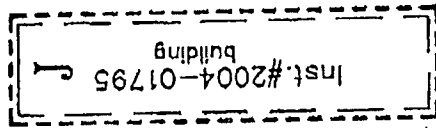
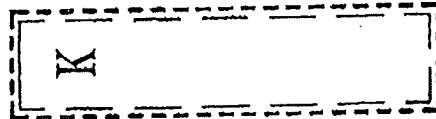
Date: 14 October 2004

NW Corner of
the McMinnville
Airport Condominium
Hangers.

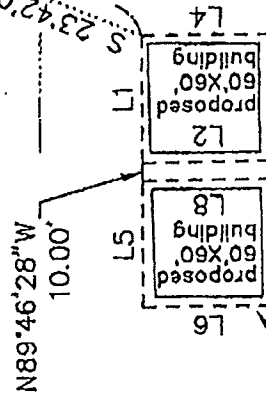
5/8" Iron Rod, up 0.5',
no id cap, per CSP-7346.
Held as the SE corner of
the "Evergreen Helicopters, Inc.",
tract as described by deed
recorded in Film Volume 103,
Page 1697, Yamhill County
Deed Records.

(N 45°04'09" E 166.35' M.A.C.H.)
E 166.35' M.A.C.H.
E 166.33'

N89°46'28"W
58.00'



PAVEMENT



Proposed lease boundary "M".

Proposed lease boundary "L".

By: Matt Duncel & Assoc.
3765 Riverside Drive
McMinnville, Oregon 97128
Phone: 503-472-7904
Fax: 503-472-0367
E-Mail: duncel@viclink.com

LINE	BEARING	DISTANCE
L1	N89°46'28"W	70.00
L2	S00°13'32"W	70.00
L3	S89°46'28"E	70.00
L4	N00°13'32"E	70.00
L5	N89°46'28"W	70.00
L6	S00°13'32"W	70.00
L7	S89°46'28"E	70.00
L8	N00°13'32"E	70.00

REGISTERED
PROFESSIONAL
LAND SURVEYOR
Nathan E. Magness
OREGON
JULY 9, 2004
NATHAN E. MAGNESS
60087

Renewable 31 December 2004
#5245

EXHIBIT C

Assignment of Ground Lease

(see attached)

**AGREEMENT ON ASSIGNMENT OF LEASE,
AMENDMENT OF ASSIGNED LEASE, CONSENT, ASSUMPTION
(Michael Sheets, Yamhill County and City of McMinnville)**

This Assignment of Lease, Consent to Assignment, Amendment of Assigned Lease, and Assumption is made the last date set forth adjacent to the signatures of the parties below between Michael Sheets, NKI Box 409, Ketchikan, AK 99950 ("Sheets"), Yamhill County, a political subdivision of Oregon, 535 NE Fifth Street, McMinnville, OR 97128 ("County") and the City of McMinnville, 230 NE Second Street, McMinnville, OR 97128 ("City").

RECITALS.

A. Sheets is the Lessee and the City of McMinnville is the Lessor under a Ground Lease for an Airport Hangar ("Ground Lease"). The Ground Lease was recorded in the Yamhill County Deed and Mortgage Records on April 1, 2005 as instrument number 2005 06515. Pursuant to the terms of the Ground Lease, Sheets constructed a 60' by 60' aircraft hangar at the city's municipal airport. The hangar is known as Building M at the airport with a physical address of 3780 NE Cirrus Street, McMinnville. In general, the Ground Lease is for a term expiring January 30, 2040. Upon expiration, the hangar becomes the property of the City of McMinnville.

B. In June, 2005 by Board Order 05-442, the County and Sheets entered into an agreement for sublease of the Ground Lease together with an option for the County to purchase the hangar and assume Sheets' rights under the Ground Lease as his assignee ("Option Agreement").

C. The County has exercised its option and it is necessary for Sheets to assign the Ground Lease, for the City to consent to the Assignment and an amendment of the lease as assigned, and for County to assume Sheets' obligations under the Ground Lease. Closing is to occur at Northwest Title Company in McMinnville. NOW THEREFORE, the parties agree as follows:

AGREEMENT.

SECTION 1 IDENTIFICATION OF PROPERTY SUBJECT TO THIS AGREEMENT

1.1 Identification of the Property. The "Property" referred to in this Agreement consists of Sheets' interest in the Ground Lease, including all structures thereon as allowed by the Ground Lease. The Property is sited at the City of McMinnville's municipal airport on Three Mile Lane in McMinnville. The location of the Property is more particularly described in the legal description set forth on page 13 of the Ground Lease and the map depicted on page 14 of the Ground Lease. The Ground Lease is found in the Yamhill County Deed and Mortgage Records as instrument number 2005 06515.

SECTION 2 ASSIGNMENT OF LEASE

2.1 Assignment of Lease. Effective at the Closing Date as described in the Option Agreement, Sheets hereby assigns to the County all his right, title and interest in the Property as described in the GROUND LEASE AIRPORT HANGAR between Sheets and the City.

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK

200602247

00224652200600022470030030

\$46.00

02/02/2006 09:37:23 AM

DMR-ASSDMR Cnt=3 Stn=2 ANITA
\$10.00 \$15.00 \$10.00 \$11.00

AGREEMENT
Page 1 / 3

NORTHWEST TITLE COMPANY 602300

SECTION 3 CONSENT TO ASSIGNMENT

3.1 Consent to Assignment. Effective at the Closing Date described in the Option Agreement, the City consents to the assignment made in Section 2.1 and releases Sheets from liability as provided by Section 6 of the GROUND LEASE AIRPORT HANGAR between Sheets and the City.

SECTION 4 AMENDMENT OF LEASE AS ASSIGNED

4.1 Amendment of Section 4. Effective at the Closing Date described in the Option Agreement, the GROUND LEASE AIRPORT HANGAR between Sheets and the City as assigned to the County is amended by the addition of the following language to Section 4, "Rent":

In lieu of rent paid in cash, and when deemed feasible by the County, City agrees to accept rent in the form of flight time on a County aircraft calculated at the County's then-effective hourly rate. If County determines payment of rent in the form of flight time is not feasible, County will pay the rent in the form of cash.

4.2 No other changes. Except as provided in Section 4.1, all other terms and conditions of the GROUND LEASE AIRPORT HANGAR between Sheets and the City, as assigned, remain in full force and effect.

SECTION 5 ASSUMPTION

5.1 Assumption by County. Effective at the Closing Date described in the Option Agreement, the County assumes all of Sheets' obligations under the GROUND LEASE AIRPORT HANGAR between Sheets and the City, as assigned.

SECTION 6 GENERAL PROVISIONS.

6.1 Attorney Fees. In the event that any party to this Agreement shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

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6.2 Integration. This Agreement contains the entire agreement of the parties with respect to the

assignment of the Property and supersedes all prior written and oral negotiations and agreements with respect to assignment of the Property; provided, however, that the Sublease and Option to Purchase memorialized as Board Order 05-442 shall remain in full force and effect. Any modifications, changes, additions or deletions to this Agreement must be approved by Sheets, County and City, in writing.

IN WITNESS WHEREOF Sheets, County and City have executed this Agreement as of the date and year set forth adjacent to their signatures below.

SHEETS: Michael Sheets Date: 1-31-06
MICHAEL SHEETS

COUNTY: Leslie R. Lewis Date: 2-1-2006
LESLIE LEWIS, Chair
Board of Commissioners

CITY: Kent Taylor Date: 1-31-06
KENT TAYLOR, City Manager
City of McMinnville, Oregon

STATE OF OREGON)
) ss
County of YAMHILL)

This instrument was acknowledged before me on the 31 day of January, 2006 by Michael Sheets.



Jean Hantze
Notary Public for
My commission expires: _____

STATE OF OREGON)
) ss
County of Yamhill)

This instrument was acknowledged before me on the 1 day of February, 2006 in her official capacity by Leslie Lewis, Chair of the Board of Commissioners of Yamhill County, Oregon.



Jean Hantze
Notary Public for Oregon
My commission expires: _____

Exhibit "D"

**AGREEMENT ON ASSIGNMENT OF LEASE,
AMENDMENT OF ASSIGNED LEASE, CONSENT, ASSUMPTION
(Doug Tiner, Yamhill County and City of McMinnville)**

This Assignment of Lease, Consent to Assignment, Amendment of Assigned Lease, and Assumption (Assignment") is made the last date set forth adjacent to the signatures of the parties below between Doug Tiner, 18801 Central Pt. Rd., OC, OR, 97045 ("Tiner"), Yamhill County, a political subdivision of Oregon, 535 NE Fifth Street, McMinnville, OR 97128 ("County") and the City of McMinnville, 230 NE Second Street, McMinnville, OR 97128 ("City").

COPY

RECITALS.

- A. Yamhill County is the current Lessee and the City of McMinnville is the Lessor under a Ground Lease for an Airport Hangar ("Ground Lease"). The Ground Lease was recorded in the Yamhill County Deed and Mortgage Records on April 1, 2005 as instrument number 200506515. Pursuant to the terms of the Ground Lease, the original Lessee, Michael Sheets ("Sheets") constructed a 60' by 60' aircraft hangar at the city's municipal airport. The hangar is known as Building M with a physical address of 3780 NE Cirrus Street, McMinnville, Oregon, 97128. In general, the Ground Lease is for a term expiring January 30, 2040. Upon expiration, the hangar becomes the property of the City of McMinnville. The Ground Lease was assigned from Sheets to Yamhill County under that certain "AGREEMENT ON ASSIGNMENT OF LEASE, AMENDMENT OF ASSIGNED LEASE, CONSENT, ASSUMPTION", signed on February 1, 2006 and recorded in the Yamhill County Deed and Mortgage Records on February 2, 2006 as instrument number 200602247.
- B. In December, 2012, by Board Order 12-702 the County declared the Ground Lease and Building M to be surplus County property and advertised the building for sale. On January 24, 2013, by Board Order 13-53 the County accepted an offer for the purchase of Building M and the assignment of the Ground Lease from Doug Tiner and Marvin Coolidge. Together with this Assignment Tiner and County have entered into a Purchase and Sale Agreement for Building M in the amount of \$70,000.00 ("Purchase Agreement"). The Purchase Agreement is attached hereto as Exhibit A and is incorporated herein by this reference.
- C. It is necessary for the County to assign the Ground Lease, for the City to consent to this Assignment and an amendment of the lease as assigned, and for Tiner to assume the County's obligations under the Ground Lease. Closing is to occur on March 8, 2013 ("Closing Date") at Fidelity National Title in Clackamas, Oregon. NOW THEREFORE, the parties agree as follows:

AGREEMENT.

SECTION 1 IDENTIFICATION OF PROPERTY SUBJECT TO THIS AGREEMENT

1.1 Identification of the Property. The "Property" referred to in this Assignment consists of the County's interest in the Ground Lease, including all structures thereon as allowed by the Ground Lease and as further detailed in the Purchase Agreement. The Property is sited at the City of McMinnville's municipal airport on Three Mile Lane in McMinnville. The location of the Property is more particularly described in the legal description set forth on page 13 of the Ground Lease and the map depicted on page 14 of the Ground Lease. The Ground Lease is found in the Yamhill County Deed and Mortgage Records as instrument number 200506515.

SECTION 2 ASSIGNMENT OF LEASE

2.1 Assignment of Lease. Effective at the Closing Date, County hereby assigns to Tiner all its right, title and interest in the Property as described in the GROUND LEASE AIRPORT HANGAR between County and the City.

SECTION 3 CONSENT TO ASSIGNMENT

3.1 Consent to Assignment. Effective at the Closing Date, the City consents to the assignment made in Section 2.1 and releases County from liability as provided by Section 6 of the GROUND LEASE AIRPORT HANGAR between County and the City.

SECTION 4 AMENDMENT OF LEASE AS ASSIGNED

4.1 Amendment of Section 4. Effective at the Closing Date, the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned to Tiner, is amended by the removal of the following language from Section 4, "Rent":

"In lieu of rent paid in cash, and when deemed feasible the County, City agrees to accept rent in the form of flight time on a County aircraft calculated at the County's then-effective hourly rate. If County determines payment of rent in the form of flight time is not feasible, County will pay the rent in the form of cash."

4.2 No other changes. Except as provided in Section 4.1, all other terms and conditions of the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned, remain in full force and effect.

SECTION 5 ASSUMPTION

5.1 Assumption by Tiner. Effective at the Closing Date, Tiner assumes all of County's obligations under the GROUND LEASE AIRPORT HANGAR between County and the City, as assigned.

SECTION 6 GENERAL PROVISIONS.

6.1 Attorney Fees. In the event that any party to this Assignment shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

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6.2 Integration. This Assignment contains the entire agreement of the parties with respect to the assignment of the Property and supersedes all prior written and oral negotiations and agreements with respect to assignment of the Property. Any modifications, changes, additions or deletions to this Assignment must be approved by Tiner, County and City, in writing.

IN WITNESS WHEREOF Tiner, County and City have executed this Assignment as of the date and year set forth adjacent to their signatures below.

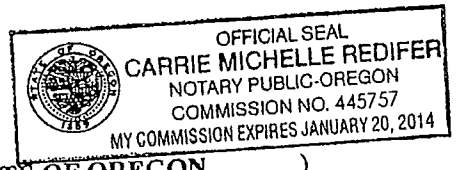
TINER: [Signature] Date: 3/1/13
DOUG TINER

COUNTY: _____ Date: _____
KATHY GEORGE, Chair
Board of Commissioners

CITY: _____ Date: _____
KENT TAYLOR, City Manager
City of McMinnville, Oregon

STATE OF Oregon)
County of Clackamas) ss

This instrument was acknowledged before me on the 1st day of March, 2013 by Doug Tiner.



[Signature]
Notary Public for
My commission expires: 1-20-14

STATE OF OREGON)
County of Yamhill) ss

This instrument was acknowledged before me on the ___ day of _____, 2013 in her official capacity by Kathy George, Chair of the Board of Commissioners of Yamhill County, Oregon.

Notary Public for Oregon
My commission expires: _____



City of McMinnville
Community Development Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

STAFF REPORT

DATE: March 23, 2021
TO: Jeff Towery, City Manager
FROM: Larry Sherwood, Engineering Services Manager
SUBJECT: Master Grant Agreement No. 34756 - ODOT Fund Exchange Program

Report in Brief: This action is the consideration of a resolution authorizing the approval of Master Grant Agreement No. 34756 between the City of McMinnville and the Oregon Department of Transportation (ODOT) for the Fund Exchange Program (FEX).

Discussion: The City of McMinnville receives an annual allocation of Federal Surface Transportation Block Grant (STBG) funds. STBG funds are allocated to the State of Oregon, and then sub allocated to cities based on population.

The Oregon Department of Transportation allows the City to exchange its allocation of Federal Transportation Funds for State revenues. It is to our benefit to exchange the funds because Federal revenues can only be applied to certain designated streets within the City, and the requirements attached to Federal projects do not apply to State revenues.

We have used these funds to pay for the City's annual share of the Newberg Dundee Bypass loan principal and interest (OTIB), as well as street related projects in the City. Grant Funds may also be used for the purchase of equipment, provided it is used exclusively for roadway purposes during the useful life of the equipment.

Historically, the City was required to submit fund exchange requests on a per project basis. Master Grant Agreement No. 34756 (Attachment 2) will simplify the fund exchange process and allow for the City to draw down on available allocated funds during the term of the agreement, which is from the date of full execution to September 30, 2024. The City's current fund balance is \$722,145.84.

During the Term, ODOT will exchange the City's annual allocation of STBG Funds for Grant Funds at the following rates:

- Ninety-four cents (\$0.94) in Grant Funds for one dollar (\$1.00) of STBG Funds until December 31, 2021.
- Ninety cents (\$0.90) in Grant Funds for one dollar (\$1.00) of STBG Funds January 1, 2022 and after.

Annual Grant Funds will accumulate ("bank") during the term of the agreement and distribution will be limited to the City's cumulative amount of Grant Funds available at the time a Funding Request is submitted.

Attachments:

1. Resolution 2021-18
2. Master Grant Agreement No.34756
3. Funding Request Template

Fiscal Impact:

The use of fund exchange resources will be included in the proposed FY22 budget for the Transportation Fund (Fund 45).

Recommendation:

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to execute Master Grant Agreement No. 34756 for the Fund Exchange Program.

RESOLUTION NO. 2021 - 18

A Resolution authorizing the approval of Master Grant Agreement No. 34756 between the City of McMinnville and the Oregon Department of Transportation (ODOT) for the Fund Exchange Program (FEX).

RECITALS:

The Oregon Department of Transportation allows the City to exchange its allocation of Federal Surface Transportation Block Grant Funds for State revenues. It is to our benefit to exchange the funds because the requirements attached to Federal projects do not apply to State revenues. We can also apply the money to any street related project in the City. Federal revenues can only be applied to certain designated streets within the City.

Historically, the City was required to submit fund exchange requests on a per project basis. Master Grant Agreement No. 34756 will simplify the fund exchange process and allow for the City to draw down on available allocated funds during the term of the agreement, which is from the date of full execution to September 30, 2024.

During the agreement term, ODOT will exchange the City's annual allocation of STBG Funds for Grant Funds at the following rates:

- Ninety-four cents (\$0.94) in Grant Funds for one dollar (\$1.00) of STBG Funds until December 31, 2021.
- Ninety cents (\$0.90) in Grant Funds for one dollar (\$1.00) of STBG Funds January 1, 2022 and after.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. That entry into Master Grant Agreement No. 34756 with the Oregon Department of Transportation for the Fund Exchange Program is approved.
2. The City Manager is hereby authorized and directed to execute Master Grant Agreement No. 34756 between the City of McMinnville and the Oregon Department of Transportation.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 23rd day of March 2021 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Chenoweth

Nays: _____

Approved this 23rd day of March 2021.



Council President

Approved as to form:

Attest:

City Attorney

City Recorder

**MASTER GRANT AGREEMENT
OREGON DEPARTMENT OF TRANSPORTATION
FUND EXCHANGE PROGRAM (FEX)**

This Master Grant Agreement (“Agreement”) is made and entered into by and between the **State of Oregon**, acting by and through its Department of Transportation (“ODOT”), and the **City of McMinnville**, acting by and through its Governing Body, (“Recipient”), both referred to individually or collectively as “Party” or “Parties.”

- 1. Effective Date.** This Agreement shall become effective on the date this Agreement is fully executed and approved as required by applicable law (the “Effective Date”). The availability of Grant Funds (as defined in Section 3) shall be from January 1, 2021 to September 30, 2024 (the “Term”).
- 2. Agreement Documents.** This Agreement consists of this document and the following documents attached to this Agreement:

- Exhibit A: **Recipient Requirements**
- Exhibit B: **Subagreement Insurance Requirements**
- Exhibit C: **Direct Deposit/ACH Credit Authorization**
- Exhibit D: **Funding Request Letter template**

In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: this Agreement without Exhibits; Exhibit A; Exhibit B; Exhibit C; Exhibit D.

- 3. Grant Funds.** Pursuant to the Federal-Aid Project Guidelines and Working Agreement among ODOT, the Association of Oregon Counties and the League of Oregon Cities No. 32588 dated August 23, 2018, ODOT will annually make state funds available for which Recipient may exchange Recipient’s annual allocation of federal Surface Transportation Block Grant funds (“STBG Funds”). The state funds that ODOT annually makes available for exchange are referred to in this Agreement as the “Grant Funds.” ODOT will annually determine the amount of STBG Funds, and hence Grant Funds, available to the Recipient and announce the STBG Funds amount via ODOT’s website in January of each year.
- 4. Exchange Rate.** During the Term, ODOT will exchange Recipient’s annual allocation of STBG Funds for Grant Funds at the following rates:
 - a.** Ninety-four cents (\$0.94) in Grant Funds for one dollar (\$1.00) of STBG Funds until December 31, 2021.
 - b.** Ninety cents (\$0.90) in Grant Funds for one dollar (\$1.00) of STBG Funds January 1, 2022 and after.

5. Eligible Projects and Costs.

- a. Use of Grant Funds.** Grant Funds may only be used for transportation projects that are State Highway Trust Fund eligible, that is, those that are consistent with Article IX, Section 3a, of the Oregon Constitution (each such State Highway Trust Fund eligible transportation project is referred to in this Agreement as a “Project”). Grant Funds may be used for all phases of a Project, including, but not limited to, preliminary engineering, right of way, utility relocation, and construction.
- b. Eligible Costs.** Recipient shall use Grant Funds only for its actual costs to deliver Projects consistent with the terms of this Agreement (“Eligible Costs”).
 - i.** Eligible Costs are actual costs of Recipient to the extent those costs are:
 - A.** reasonable, necessary and directly used for a Project;
 - B.** permitted by generally accepted accounting principles established by the Governmental Accounting Standards Board, as reasonably interpreted by the State, to be capitalized to an asset that is part of a Project; and
 - C.** eligible or permitted uses of the Grant Funds under the Oregon Constitution, the statutes and laws of the state of Oregon, and this Agreement.
 - ii.** Eligible Costs can include the purchase of aggregate or equipment, provided that:
 - A.** purchases or production of aggregate must be roadway-related and exclusively used for roadway work; and
 - B.** purchased equipment must be used exclusively for roadway purposes for the useful life of the equipment. Recipient shall clearly describe in the Funding Request, as that capitalized term is defined in Section 6.a., how it plans to use said equipment on roadways and for roadway purposes. In the event that the equipment is not used for roadway purposes, Recipient shall pay to ODOT the fair market rental value for Recipient’s non-roadway use of the equipment. The useful life and the fair market rental value of the equipment shall be determined by ODOT, based on the type and condition of equipment.
 - iii.** Eligible Costs do NOT include:
 - A.** loans or grants to be made to third parties; or
 - B.** any expenditures incurred before the Effective Date or after the Availability Termination Date.

6. Grant Funds Distribution Process

- a.** To receive a distribution of Grant Funds during the Term, Recipient shall submit a funding request letter to the ODOT Contact for approval (a “Funding Request”). The Funding Request

must be on Recipient letterhead and include all information set forth in the letter template attached as Exhibit D. If Recipient chooses not to request Grant Funds in a calendar year, the year's Grant Funds amount will accumulate ("bank") for Recipient's future use. ODOT's distribution of Grant Funds will be limited to Recipient's cumulative amount of Grant Funds available at the time a Funding Request is submitted. ODOT will not advance any Grant Funds based on anticipated future allocations of STBG Funds.

- b. Upon approving a Funding Request, ODOT will disburse the requested Grant Funds amount to Recipient via electronic funds transfer to the deposit account designated in Exhibit C.
- c. ODOT's obligation to disburse Grant Funds to Recipient is subject to the satisfaction, with respect to each disbursement, of each of the following conditions precedent:
 - i. ODOT has received funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to make the disbursement.
 - ii. Recipient is in compliance with the terms of this Agreement.
 - iii. Recipient's representations and warranties set forth in Section 7 are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.
- d. **Recovery of Grant Funds.** Any Grant Funds disbursed to Recipient under this Agreement that are expended in violation of one or more of the provisions of this Agreement ("Misspent Funds") must be returned to ODOT. Recipient shall return all Misspent Funds to ODOT promptly after ODOT's written demand and no later than fifteen (15) days after ODOT's written demand.

7. Representations and Warranties of Recipient. Recipient represents and warrants to ODOT as follows:

- a. **Organization and Authority.** Recipient is duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the Grant Funds. Recipient has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder, and the making and performance by Recipient of this Agreement (1) have been duly authorized by all necessary action of Recipient and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient's Articles of Incorporation or Bylaws, if applicable, (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is a party or by which Recipient or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement.
- b. **Binding Obligation.** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient, enforceable in accordance with its

terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

- c. **No Solicitation.** Recipient's officers, employees, and agents shall neither solicit nor accept gratuities, favors, or any item of monetary value from contractors, potential contractors, or parties to subagreements. No member or delegate to the Congress of the United States or State of Oregon employee shall be admitted to any share or part of this Agreement or any benefit arising therefrom.
- d. **No Debarment.** Neither Recipient nor its principals is presently debarred, suspended, or voluntarily excluded from any federally-assisted transaction, or proposed for debarment, declared ineligible or voluntarily excluded from participating in this Agreement by any state or federal agency. Recipient agrees to notify ODOT immediately if it is debarred, suspended or otherwise excluded from any federally assisted transaction for any reason or if circumstances change that may affect this status, including without limitation upon any relevant indictments or convictions of crimes.
- e. **Compliance with Oregon Taxes, Fees and Assessments.** Recipient is, to the best of the undersigned(s) knowledge, and for the useful life of this Agreement will remain, current on all applicable state and local taxes, fees and assessments.

8. Records Maintenance and Access; Audit.

- a. **Records, Access to Records and Facilities.** Recipient shall make and retain proper and complete books of record and account and maintain all fiscal records related to this Agreement in accordance with all applicable generally accepted accounting principles, generally accepted governmental auditing standards and state minimum standards for audits of municipal corporations. Recipient shall ensure that each of its subrecipients and subcontractors complies with these requirements. ODOT, the Secretary of State of the State of Oregon (the "Secretary") and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Agreement, the Grant Funds, or any Project funded by this Agreement, for the purpose of making audits and examinations. In addition, ODOT, the Secretary and their duly authorized representatives may make and retain excerpts, copies, and transcriptions of the foregoing books, documents, papers, and records. Recipient shall permit authorized representatives of ODOT and the Secretary to perform site reviews, and to inspect all vehicles, real property, facilities and equipment purchased by Recipient as part of this Agreement, and any transportation services rendered by Recipient. Without limiting the foregoing, ODOT may request, and Recipient shall provide, documentation of expenditures to confirm that Recipient uses Grant Funds only for State Highway Trust Fund eligible purposes. ODOT may also conduct on-site inspections of any Project funded under this Agreement to ensure that the Project is State Highway Trust Fund eligible.
- b. **Retention of Records.** Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement, the Grant Funds or any Project funded by this Agreement for a period of six (6) years after final payment. If there are unresolved audit questions at the end of the period described in this section, Recipient shall retain the records until the questions are resolved.

- c. **Expenditure Records.** Recipient shall document the expenditure of all Grant Funds disbursed by ODOT under this Agreement. Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit ODOT to verify how the Grant Funds were expended.

This Section 8 shall survive any expiration or termination of this Agreement.

9. Recipient Subagreements and Procurements

- a. **Subagreements.** Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, “subagreements”) for performance of this Agreement.
 - i. All subagreements must be in writing, executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.
 - ii. Recipient shall require all of its contractors performing work under this Agreement to name ODOT as a third party beneficiary of Recipient’s subagreement with the Contractor and to name ODOT as an additional or “dual” obligee on contractors’ payment and performance bonds.
 - iii. Recipient shall provide ODOT with a copy of any signed subagreement, as well as any other purchasing or contracting documentation, upon ODOT’s request at any time. Recipient must report to ODOT any material breach of a term or condition of a subagreement within ten (10) days of Recipient discovering the breach.
- b. **Subagreement indemnity; insurance.**

Recipient’s subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation, their officers, agents and employees from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys’ fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient’s subagreement or any of such party’s officers, agents, employees or subcontractors (“Claims”). It is the specific intention of the Parties that ODOT shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of ODOT, be indemnified by the other party to Recipient’s subagreement(s) from and against any and all Claims.

- i. Any such indemnification shall also provide that neither Recipient’s subrecipient(s), contractor(s) nor subcontractor(s), nor any attorney engaged by Recipient’s subrecipient(s), contractor(s) nor subcontractor(s) shall defend any claim in the name of ODOT or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient’s subrecipient is prohibited from defending the State, or that

Recipient's subrecipient is not adequately defending the State's interests, or that an important governmental principle is at issue or that it is in the best interests of the State to do so. The State reserves all rights to pursue claims it may have against Recipient's subrecipient if the State of Oregon elects to assume its own defense.

- ii. For Projects that are on or along a state highway, Recipient shall require its contractor(s) to meet the minimum insurance requirements provided in Exhibit B. Recipient may specify insurance requirements of its contractor(s) above the minimum insurance requirements specified in Exhibit B. Recipient shall verify its contractor(s) meet the insurance requirements in Exhibit B.
 - iii. Recipient shall determine insurance requirements, insurance types and amounts, as deemed appropriate based on the risk of the work outlined within the subagreement. Recipient shall specify insurance requirements and require its contractor(s) to meet the insurance requirements. Recipient shall obtain proof of the required insurance coverages, as applicable, from any contractor providing services related to the subagreement.
 - iv. Recipient shall require its contractor(s) to require and verify that all subcontractors carry insurance coverage that the contractor(s) deems appropriate based on the risks of the subcontracted work.
- c. **Procurements.** Recipient shall make purchases of any equipment, materials, or services comply with Oregon law, including all applicable provisions of the Oregon Public Contracting Code, Oregon Revised Statute (ORS) 279 A, B, and C, and rules, ensuring that:
- i. All applicable clauses required by federal statute, executive orders and their implementing regulations are included in each competitive procurement; and
 - i. All procurement transactions are conducted in a manner providing full and open competition.
- d. **Conflicts of Interest.** Recipient's public officials shall comply with Oregon's government ethics laws, ORS 244.010 *et seq.*, as those laws may be subsequently amended.

10. Termination

- a. **Mutual Termination.** This Agreement may be terminated by mutual written consent of the Parties.
- b. **Termination by ODOT.** ODOT may terminate this Agreement effective upon delivery of written notice of termination to Recipient, or at such later date as may be established by ODOT in such written notice, under any of the following circumstances:
 - i. If Recipient takes any action pertaining to this Agreement without the approval of ODOT and which under the provisions of this Agreement would have required ODOT's approval;
 - ii. If Recipient fails to perform any of its other obligations under this Agreement, and that failure continues for a period of 10 calendar days after the date ODOT delivers Recipient written

- notice specifying such failure. ODOT may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action;
- iii. If ODOT fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement;
 - iv. If Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that is no longer allowable or no longer eligible for funding under this Agreement; or
 - v. If a Project funded under this Agreement would not produce results commensurate with the further expenditure of funds.
- c. **Termination by Either Party.** Either Party may terminate this Grant Agreement upon at least ten (10) days' notice to the other Party and failure of the other Party to cure within the period provided in the notice, if the other Party fails to comply with any of the terms of this Grant Agreement.
- d. **Rights upon Termination; Remedies.** Any termination of this Grant Agreement shall not prejudice any rights or obligations accrued before termination. The remedies set forth in this Grant Agreement are cumulative and are in addition to any other rights or remedies available at law or in equity.

11. GENERAL PROVISIONS

- a. **Indemnity.** RECIPIENT SHALL INDEMNIFY AND DEFEND ODOT AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER ARISING OUT OF, OR RELATING TO THE INTENTIONAL MISCONDUCT, OR RECKLESS OR NEGLIGENT ACTS OR OMISSIONS OF RECIPIENT OR ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, OR AGENTS UNDER THIS AGREEMENT.

ODOT shall reasonably cooperate in good faith, at Recipient's reasonable expense, in the defense of a covered claim. Recipient shall select counsel reasonably acceptable to the Oregon Attorney General to defend such claim and all costs of such counsel shall be borne by Recipient. Counsel must accept appointment as a Special Assistant Attorney General under ORS Chapter 180 before such counsel may act in the name of, or represent the interests of, ODOT, its officers, employees or agents. ODOT may elect to assume its own defense with an attorney of its own choice and its own expense at any time ODOT determines important governmental interests are at stake. ODOT agrees to promptly provide Recipient with notice of any claim that may result in an indemnification obligation hereunder. Subject to the limitations noted above, Recipient may defend such claim with counsel of its own choosing provided that no settlement or compromise of any such claim shall occur without the consent of ODOT, which consent shall not be unreasonably withheld, conditioned or delayed.

- b. **Contribution.**

- i. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 (“Third Party Claim”) against ODOT or Recipient with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party’s liability with respect to the Third Party Claim.
- ii. With respect to a Third Party Claim for which ODOT is jointly liable with Recipient (or would be if joined in the Third Party Claim), ODOT shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of the Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of ODOT on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if ODOT had sole liability in the proceeding.
- iii. With respect to a Third Party Claim for which Recipient is jointly liable with ODOT (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the Parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient’s contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.
- c. **Dispute Resolution.** The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
- d. **Amendments.** This Agreement may be amended or extended only by a written instrument signed by both Parties and approved as required by applicable law.

- e. Duplicate Payment.** Recipient is not entitled to compensation or any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon or the United States of America or any other party, organization or individual.
- f. No Third Party Beneficiaries.** ODOT and Recipient are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly or indirectly, to a third person unless such a third person is individually identified by name herein and expressly described as an intended beneficiary of the terms of this Agreement.
- g. Notices.** Except as otherwise expressly provided in this Agreement, any communications between the Parties hereto or notices to be given hereunder shall be given in writing by personal delivery, email or mailing the same, postage prepaid, to Recipient Contact or ODOT Contact at the address or number set forth on the signature page of this Agreement, or to such other addresses or numbers as either Party may hereafter indicate pursuant to this Section 10(g). Any communication or notice personally delivered shall be deemed to be given when actually delivered. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine, and to be effective against ODOT, such facsimile transmission must be confirmed by telephone notice to ODOT Contact. Any communication by email shall be deemed to be given when the recipient of the email acknowledges receipt of the email. Any communication or notice mailed shall be deemed to be given when received.
- h. Governing Law, Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between ODOT (or any other agency or department of the State of Oregon) and Recipient that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.
- i. Compliance with Law.** Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to this Agreement or to implementation of Projects funded by this Agreement, including without limitation as described in Exhibit A. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Recipient agrees to comply with the requirements of ORS 366.514, Use of Highway Fund for footpaths and bicycle trails.

- j. Insurance; Workers' Compensation.** All employers, including Recipient, that employ subject workers who provide services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Employer's liability insurance with coverage limits of not less than \$500,000 must be included. Recipient shall ensure that each of its subrecipient(s), contractor(s), and subcontractor(s) complies with these requirements.
- k. Independent Contractor.** Recipient shall perform as an independent contractor and not as an agent or employee of ODOT. Recipient has no right or authority to incur or create any obligation for or legally bind ODOT in any way. ODOT cannot and will not control the means or manner by which Recipient performs the work, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of performing its work. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of ODOT, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.
- l. Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.
- m. Counterparts.** This Agreement may be executed in two or more counterparts, each of which is an original and all of which together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.
- n. Integration and Waiver.** This Agreement, including all Exhibits, constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The delay or failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. Recipient, by the signature below of its authorized representative, acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

SIGNATURE PAGE TO FOLLOW

THE PARTIES, by execution of this Agreement, acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

Recipient Name, by and through its elected officials

By _____
(Legally designated representative)

Name _____
(printed)

Date _____

By _____

Name _____
(printed)

Date _____

**LEGAL REVIEW APPROVAL
(If required in Recipient's process)**

By _____
Recipient's Legal Counsel

Date _____

Recipient Contact:
Larry Sherwood
231 NE Fifth St
McMinnville, 97128
503-434-5119
Larry.sherwood@mcminnvilleoregon.gov

STATE OF OREGON, by and through its Department of Transportation

By _____
Statewide Investment Management Section
Manager

Name _____
(printed)

Date _____

APPROVAL RECOMMENDED

By _____
Program & Funding Services Manager

Name _____
(printed)

Date _____

ODOT Contact:
Shelley Bokor
555 13th Street NE
Salem, OR 97301
503-986-3621
shelley.a.bokor@odot.state.or.us

EXHIBIT A

Recipient Requirements

1. Recipient shall comply with all applicable provisions of ORS 279C.800 to 279C.870 pertaining to prevailing wage rates and including, without limitation, that workers shall be paid not less than rates in accordance with ORS 279C.838 and 279C.840 pertaining to wage rates and ORS 279C.836 pertaining to having a public works bond filed with the Construction Contractors' Board.
2. Recipient shall notify ODOT's Contact in writing when any contact information changes during the Agreement.
3. Recipient shall, at its own expense, maintain and operate all roadways and equipment funded by this Agreement upon completion and throughout the useful life at a minimum level that is consistent with normal depreciation or service demand or both. The Parties agree that the useful life of any roadway work is defined as seven (7) years from its completion date (the "Project Useful Life").
4. Recipient shall maintain insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities or equipment.
5. **Americans with Disabilities Act Compliance**
 - a. **State Highway:** For portions of a Project located on or along the State Highway System or a State-owned facility ("state highway"):
 - i. Recipient shall utilize ODOT standards to assess and ensure Project compliance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended (together, "ADA"), including ensuring that all sidewalks, curb ramps, pedestrian-activated signals, shared use path, transit stop, park-and-ride, on-street parking, or any other feature that might need to be accessible meet current ODOT Highway Design Manual standards;
 - ii. Recipient shall follow ODOT's processes for design, construction, or alteration of sidewalks, curb ramps, pedestrian-activated signals, shared use path, transit stop, park-and-ride, on-street parking, or any other feature that might need to be accessible including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form;
 - iii. At completion of a Project funded by this Agreement, Recipient shall send a completed ODOT Curb Ramp Inspection Form 734-5020 to the address on the form and to State's Project Manager for each curb ramp constructed or altered as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT's fillable Curb Ramp Inspection Form and instructions are available at the following address:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>

- iv. Recipient shall promptly notify ODOT of a Project's completion and allow ODOT to inspect Project sidewalks, curb ramps, pedestrian-activated signals shared use path, transit stop, park-and-ride, on-street parking, or any other feature that might need to be accessible located on or along a state highway prior to release of any Recipient contractor.
 - v. Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs, comply with ODOT standards, and include accessibility features equal to or better than the features present in the existing pedestrian facility. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, disability organizations, and ODOT at least 10 days prior to the start of construction.
- b. Local Roads:** For portions of a Project located on Recipient roads or facilities that are not on or along a state highway:
- i. Recipient shall ensure that the Project is designed, constructed and maintained in compliance with the ADA.
 - ii. Recipient may follow its own processes or may use ODOT's processes for design, construction, or alteration of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current Curb Ramp Inspection form, available at:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>;

Additional ODOT resources are available at the above-identified link. ODOT has made its forms, processes, and resources available for Recipient's use and convenience.
 - iii. Recipient assumes sole responsibility for ensuring compliance with the ADA, including when Recipient uses ODOT forms and processes. Recipient acknowledges and agrees that ODOT is under no obligation to review or approve Project plans or inspect completed Projects to confirm ADA compliance.
 - iv. Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs and include accessibility features equal to or better than the features present in the existing pedestrian route. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, and disability organizations prior to the start of construction.
- c. Recipient shall ensure that any portions under Recipient's maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of Projects funded by this Agreement. This includes, but is not limited to, Recipient ensuring that:

- i. Pedestrian access is maintained as required by the ADA,
 - ii. Any complaints received by Recipient identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed,
 - iii. Recipient, or abutting property owner, pursuant to local code provisions, performs any repair or removal of obstructions needed to maintain the Project in compliance with the ADA requirements that were in effect at the time the Project was constructed or altered,
 - iv. Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
 - v. Applicable permitting and regulatory actions are consistent with ADA requirements.
- d. Maintenance obligations in this Section 5 shall survive termination of this Agreement.

6. Work Performed within ODOT's Right of Way

- a. Prior to the commencement of work, Recipient shall obtain, or require its contractor to obtain, permission from the appropriate ODOT District Office to work on or along the state highway. This Agreement does not provide permission to work on or along the state highway.
- b. If a Project includes traffic control devices (see ODOT's Traffic Manual, Chapter 5, for a description of traffic control devices) on or along a state highway, Recipient shall, pursuant to Oregon Administrative Rule (OAR) 734-020-0430, obtain the approval of the State Traffic Engineer prior to design or construction of any traffic control device being installed.
- c. Recipient shall enter into a separate traffic signal agreement with ODOT to cover obligations for any traffic signal being installed on a state highway.
- d. Recipient shall ensure that its electrical inspectors possess a current State Certified Traffic Signal Inspector certificate before the inspectors inspect electrical installations on state highways. The ODOT's District Office shall verify compliance with this requirement before construction. The permit fee should also cover the State electrician's supplemental inspection.

7. General Standards

All Projects funded by this Agreement shall be completed within industry standards and best practices to ensure that the functionality and serviceability of the program's investment meets the intent of the application and the program.

EXHIBIT B

Subagreement Insurance Requirements

1. GENERAL.

- a. If the Project is on or along a state highway, Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to ODOT. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, "first tier" means a subagreement in which the Recipient is a Party.
- b. The insurance specified below is a minimum requirement that the contractor within the subagreement shall meet. Recipient may determine insurance types and amounts in excess to the minimum requirement as deemed appropriate based on the risks of the work outlined within the subagreement.
- c. Recipient shall require the contractor(s) to require that all of its subcontractors carry insurance coverage that the contractor deems appropriate based on the risks of the subcontracted work. Contractor shall obtain proof of the required insurance coverages, as applicable, from any subcontractor providing Services related to the Contract.

2. TYPES AND AMOUNTS.

a. WORKERS COMPENSATION.

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer's Liability Insurance with limits not less than \$500,000 each accident. **Contractor shall require compliance with these requirements in each of its subcontractor contracts.**

b. COMMERCIAL GENERAL LIABILITY.

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products and completed operations, and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track,

roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability – Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Amounts below are a minimum requirement as determined by ODOT:

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

c. AUTOMOBILE Liability Insurance: Automobile Liability.

Automobile Liability Insurance covering Contractor’s business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Amount below is a minimum requirement as determined by ODOT:

Coverage shall be written with a combined single limit of not less than \$1,000,000.

d. ADDITIONAL INSURED.

The Commercial General Liability Insurance and Automobile Liability Insurance must include the “**State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees**” as an **endorsed** Additional Insured but only with respect to the contractor’s activities to be performed under the Subcontract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

e. “TAIL” COVERAGE.

If any of the required insurance policies is on a “claims made” basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either “tail” coverage or continuous “claims made” liability coverage, provided the effective date of the continuous “claims made” coverage is on or before the effective date of the Subcontract, for a minimum of twenty-four (24) months following the later of : (i) the contractor’s completion and Recipient’s acceptance of all Services required under the Subcontract or, (ii) the expiration of all warranty periods provided under the Subcontract. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain “tail” coverage and if the maximum time period “tail” coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and ODOT may grant approval of the maximum “tail “ coverage period reasonably available in the marketplace. If ODOT approval is granted, the contractor shall maintain “tail” coverage for the maximum time period that “tail” coverage is reasonably available in the marketplace.

f. NOTICE OF CANCELLATION OR CHANGE.

The contractor or its insurer must provide thirty (30) days' written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

g. CERTIFICATE(S) OF INSURANCE.

Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must specify: i) **“State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees”** as an endorsed Additional Insured in regards to the Commercial General Liability and Automobile Liability policies and ii) that all liability insurance coverages shall be primary and non-contributory with any other insurance and self-insurance, with exception of Workers' Compensation..

The Recipient shall immediately notify ODOT of any change in insurance coverage.



EXHIBIT C

DIRECT DEPOSIT/ACH CREDIT AUTHORIZATION

Type of Action: NEW ENROLLMENT CHANGE CANCEL

By selecting the Change box and completing the form with new account information, or by selecting the Cancel box, you revoke your previous authorization for direct deposit.

Payee Information:

LEGAL NAME OF PAYEE (used for tax reporting): _____

BUSINESS NAME (DBA name if different from above): _____

TAXPAYER IDENTIFICATION NUMBER (EIN OR SSN): _____

MAILING ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Type of Bank Account:

Checking account Savings account

Financial Institution Information (attach voided check or a letter from the bank confirming the account name, routing number, and account number):

FINANCIAL INSTITUTION NAME: _____

NAME(S) ON ACCOUNT: _____

ACCOUNT NUMBER: _____

ROUTING NUMBER: _____

FINANCIAL INSTITUTION ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Authorization:

I authorize the Oregon Department of Transportation (ODOT) to initiate electronic credits and, if necessary, adjusting debit entries to reverse erroneous electronic payments, to the account designated on this form. I certify that I am authorized to enter into this agreement as the account holder or on behalf of the account holder. I acknowledge that the origination of ACH transactions to the authorized account must comply with the provisions of the law of the State of Oregon and the United States.

International transaction certification – I certify that the entire amount of my direct deposit is NOT ultimately deposited into a financial institution outside the United States.

This authorization will remain in effect until ODOT receives written notification from Payee of its termination in such time and in such manner as to afford ODOT and the depository financial institution a reasonable opportunity to act on it. If Financial Institution information changes, Payee agrees to promptly submit to ODOT an updated Direct Deposit/ACH Credit Authorization.

ODOT/Recipient
Agreement No. 34756

AUTHORIZED NAME: _____

TITLE (if company account): _____

AUTHORIZED SIGNATURE: _____

DATE: _____ TELEPHONE NUMBER: _____

Mail the completed form and voided check or bank letter to:

ODOT Financial Services, MS #21
TEAMS Table Maintenance
355 Capitol St NE
Salem, OR 97301-3871 or
FAX to (503) 986-3907

If you have questions, please call us at (503) 986-4385.

731-0781 (11/2016)

EXHIBIT D

<LETTERHEAD WITH CITY/COUNTY, ADDRESS>

<DATE>

Oregon Department of Transportation
Program & Funding Services
ODOT Mill Creek Building
555 13th Street NE
Salem, OR 97301

To Whom it May Concern:

Pursuant to its Master Grant Agreement no. <IGA #> with ODOT, <CITY/COUNTY> requests its allocation of federal [Surface Transportation Block Grant](#) (STBG) funds to finance the following transportation project(s) eligible under Oregon Constitution Article IX, Section 3a (the "Project"):

<DESCRIPTION OF GAS TAX ELIGIBLE ACTIVITIES/LOCATION>

<CITY/COUNTY> hereby exchanges \$<FEDERAL AMOUNT> in STBG funds for state funds at a ratio of 94 **or 90** cents in state funds for each dollar of STBG funds exchanged. Accordingly, we request ODOT to disburse to <CITY/COUNTY> a total of \$<.94 **or .90** x FEDERAL AMOUNT> in state funds that <CITY/COUNTY> will use to finance the Project. <CITY/COUNTY>'s Vendor Number is <VENDOR #>.

By signing below, I certify that I am authorized to sign on behalf of the <CITY/COUNTY> and that the <CITY/COUNTY> will use the state funds received in accordance with the limitations of Oregon Constitution Article IX, Section 3a.

Please contact <NAME> at <PHONE NUMBER>, <EMAIL> if you have any questions or concerns regarding this request.

Sincerely,

<SIGNATURE>

<NAME>
<TITLE>
<EMAIL>

<ORGANIZATION'S LETTERHEAD WITH ADDRESS>

<DATE>

Oregon Department of Transportation
Program & Funding Services
ODOT Mill Creek Building
555 13th Street NE
Salem, OR 97301

To Whom it May Concern:

Pursuant to its Grant Agreement no. <IGA#> with ODOT, <CITY/COUNTY> requests its allocation of federal [Surface Transportation Block Grant](#) (STBG) funds to finance the following transportation project(s) eligible under Oregon Constitution Article IX, Section 3a (the "Project"):

<DESCRIPTION OF GAS TAX ELIGIBLE ACTIVITIES WITH SPECIFIC LOCATION (must be in the City/County requesting funds) INCLUDING THE JURISDICTION OF THE ROADWAYS. STATE IF THE ROADWAY(S) CROSS, ABUT, OR IN ANY WAY INTERSECT A STATE HIGHWAY.>

<CITY/COUNTY> hereby exchanges \$<FEDERAL AMOUNT> in STBG funds for state funds at a ratio of 94 cents state funds for each dollar of STBG funds exchanged. Accordingly, we request ODOT to disburse to <CITY/COUNTY> a total of \$<.94 x FEDERAL AMOUNT> in state funds that <CITY/COUNTY> will use to finance the Project.

By signing below, I certify that I am authorized to sign on behalf of the <CITY/COUNTY> and that the <CITY/COUNTY> will use the funds received in accordance with the limitations of Oregon Constitution Article IX, Section 3a.

Please contact <NAME> at <PHONE NUMBER>, <EMAIL> if you have any questions or concerns regarding this request.

Sincerely,

<SIGNATURE>

<NAME>

<TITLE>

