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**AGENDA MEMORANDUM**

Date: June 9, 2010  
Order Date: June 23, 2010

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**TO:** Board of County Commissioners

**DEPARTMENT:** Management Services

**PRESENTED BY:** Jeff Turk, Property Management Officer

**AGENDA ITEM TITLE:** IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A TEN YEAR LEASE AGREEMENT WITH SHELTERCARE FOR COUNTY OWNED PROPERTY AT 1545 S. BROOKLYN, EUGENE COMMONLY KNOWN AS THE SHANKLE SAFE HAVEN FACILITY

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**I. MOTION:**

TO AUTHORIZE THE COUNTY ADMINISTRATOR TO EXECUTE A TEN YEAR LEASE AGREEMENT WITH SHELTERCARE FOR COUNTY OWNED PROPERTY AT 1545 S. BROOKLYN, EUGENE COMMONLY KNOWN AS THE SHANKLE SAFE HAVEN FACILITY

**II. AGENDA ITEM SUMMARY:**

Sheltercare contracts with the County, through the Human Service Commission, to provide services at the County owned Safe Haven facility for homeless adults with severe and persistent mental illnesses. Sheltercare has requested a long term lease for the facility as agencies from which Sheltercare will be securing grant funding – including the federal government through CDBG grants – require either ownership of the facility or a long term lease agreement.

Rent would not be charged during the lease term.

**III. BACKGROUND/IMPLICATION OF ACTION:**

**A. Board Action and Other History.**

The County purchased the property (former church building) in August, 1996 for \$112,000 (Order No. 96-3-6-8) for the purpose of providing services to homeless adults with chronic mental illnesses. Services include housing, food and a day access center for services.

The purchase was funded with grants from State and Federal agencies. A provision of the grants required that housing services be provided for a period of 30 years (through August, 2026).

Sheltercare is contracting with the County to provide services at the Safe Haven Facility. In conjunction with the services, Sheltercare, at their expense, has effected improvements to the facility including remodeling and expansion of the kitchen area and improvements to the living facilities.

In addition to funding provided by the County, Sheltercare obtains funding through grants from State and Federal agencies as well as private donors. The grants require that either the facility be owned by Sheltercare or that a long term lease be in effect to insure the continued provision of services. In addition to providing operating revenue, Sheltercare intends to secure funding for additional improvements to the facility including expansion of the living area (the kitchen remodel was funded with a CDBG from the City of Springfield).

Terms of the lease provide for:

Sheltercare to maintain the property during the lease term.

Immediate termination of lease in the event Sheltercare's contract with the County for services is terminated for any reason or not renewed.

Sheltercare, at their expense, to maintain the facility during the lease term.

Sheltercare to pay for all utilities.

Approval of County before improvements to the property are commenced.

No rent to be charged during the lease term.

Sheltercare to pay any property taxes assessed.

B. Policy Issues.

Pursuant to LM 21.420, the Management Services Dept. is responsible for negotiating lease agreements for County owned property.

C. Board Goals.

Leasing the facility to Sheltercare is consistent with the Board's goals of providing services to citizens of Lane County with mental illnesses.

D. Financial and/or Resource Considerations.

During the lease term the County will not be obligated to maintain and effect repairs on the property.

E. Analysis.

Entering into a long term lease will allow Sheltercare to secure additional funding to provide services, maintain the property and to effect improvements to the property. The County will continue to own the property, including improvements made to it by Sheltercare upon termination of the lease.

F. Alternatives/Options.

- a. Accept the lease as proposed.
- b. Reject the proposal and direct staff to negotiate different terms.

**IV. TIMING/IMPLEMENTATION:**

The lease needs to be executed by June 30<sup>th</sup> in order to qualify for a tax exemption for the 2010/2011 tax year.

**V. RECOMMENDATION:**

It is recommended that the Board authorize the CAO to execute the lease agreement as proposed.

**VI. FOLLOW-UP:**

Upon approval by the Board, the lease agreement will be processed for execution.

**VII. ATTACHMENTS:**

Board Order  
Lease Agreement

ORDER NO.

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A TEN YEAR LEASE AGREEMENT WITH SHELTERCARE FOR COUNTY OWNED PROPERTY AT 1545 S. BROOKLYN, EUGENE COMMONLY KNOWN AS THE SHANKLE SAFE HAVEN FACILITY

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to enter into a lease agreement with Sheltercare, a not for profit corporation, for County owned property commonly known as the Shankle Safe Haven Facility and

WHEREAS said facility will be used to provide housing, food, medical care and other services to adults with mental illness and their families and

WHEREAS the lease agreement is beyond the authority for execution by the County Administrator without the approval of the Board of County Commissioners

IT IS HEREBY ORDERED that the County Administrator be authorized to execute a lease agreement with Sheltercare substantially similar to attached exhibit "A".

IT IS FURTHER ORDERED, that this Order shall be entered into the records of the Board of Commissioners of the County.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
William Fleenor, Board of County Commissioners

APPROVED AS TO FORM

Date 6-16-10 lane county

  
OFFICE OF LEGAL COUNSEL

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE A TEN YEAR LEASE AGREEMENT WITH SHELTERCARE FOR COUNTY OWNED PROPERTY AT 1545 S. BROOKLYN, EUGENE COMMONLY KNOWN AS THE SHANKLE SAFE HAVEN FACILITY

## LEASE

This lease is entered into by and between LANE COUNTY, a political subdivision of the State of Oregon, hereinafter "LESSOR", and SHELTERCARE, a private, not-for-profit corporation, hereinafter "LESSEE".

### RECITALS:

- A. LESSOR is the owner of real property located at 1545 S. Brooklyn St., Eugene, OR and commonly known as the Shankle Safe Haven Facility (Facility).
- B. LESSEE has contracted with LESSOR to operate and provide services at the Facility which include providing housing, a day access center, food, shelter and case management for homeless adults with severe and persistent mental illness.
- B. By LESSOR leasing the Facility to LESSEE at no cost, the services may continue uninterrupted thereby benefiting LESSOR, the individuals served and the citizens of Lane County.

### THE PARTIES THEREFORE AGREE AS FOLLOWS:

#### SECTION 1. AGREEMENT TO LEASE

1.1 LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR the Facility on the terms and conditions set forth below.

#### SECTION 2. TERM

2.1 The term of this lease shall begin on July 1, 2010 and shall continue to midnight on June 30, 2020, unless it is sooner terminated as provided in this lease.

2.2 This lease shall terminate immediately upon termination of LESSEE'S contract with LESSOR for the provision of services noted in Recital "B" above.

#### SECTION 3. RENT

3.1 So long as LESSEE is not in breach of the services contract, LESSEE shall have no obligation to pay any rent to LESSOR, it being LESSOR'S desire and intent to assist in the delivery of prompt services to Lane County residents with severe and persistent mental illness.

#### **SECTION 4. USE OF FACILITY**

4.1 LESSEE shall use and permit the use of the Facility only for the operation and provision of services to individuals with persistent and severe mental illness as noted in LESSEE's service contract with LESSOR to provide such services at the Facility. LESSEE shall refrain from storing on or discharging from or onto the Facility any hazardous wastes or toxic substances.

#### **SECTION 5. TAXES AND ASSESSMENTS; UTILITIES**

5.1 Payment by LESSEE. LESSEE shall pay before delinquency all real and personal property taxes, general and special assessment, and other charges of every description levied on or assessed against the Facility. LESSEE shall pay for all improvements located on the Facility or personal property or fixtures located on the Facility or in the improvements during the lease term. LESSEE shall make all such payments directly to the taxing authority. If any such tax, assessment or charge may be paid in installments, LESSEE may elect to do so as long as each installment together with interest is paid before it becomes delinquent.

5.1.1 LESSEE may be eligible for a property tax exemption. Said exemption requires that an application be filed with the county Assessor. Per ORS 307.166 LESSEE shall be responsible for filing an application with the Assessor for an exemption of property taxes.

5.2 Right to Contest. LESSEE may contest in good faith the validity or amount of any tax, assessment or charge in accordance with the procedures established by statute or administrative rule for such contest so long as the Facility is not subjected to any lien as a result of the contest. LESSEE may prosecute such contest in the name of LESSOR as LESSOR'S attorney in fact. All tax contests shall be at the sole expense of LESSEE. Any return or rebate from any taxing authority on account of any tax or assessment which was originally paid by LESSEE shall be the sole property of LESSEE.

5.3 Substitute Taxes. For purposes of paragraph 5.1, "real property taxes" include any tax levy or assessment enacted after the date of this lease in substitution for all or part of ad valorem real property taxes LESSEE would have been obligated to pay under paragraph 5.1, the purpose of which is more closely related to that of an ad valorem or use tax than to an income tax on LESSOR'S income, or any other tax, levy, assessment, imposition or charge measured by or based upon the Facility and imposed upon LESSOR. All such taxes shall be paid by LESSEE as provided above.

5.4 Proof of Compliance. LESSEE shall furnish to LESSOR receipts or other proof of payment of taxes and assessments within 30 days of making payment.

5.5 Utilities. LESSEE shall pay when due all charges for electricity, natural gas, water, sewage, telephone, refuse collection and all other services or utilities used on or in connection with the Facility.

## SECTION 6 MAINTENANCE; ALTERATIONS; RECONSTRUCTION

6.1 Maintenance. LESSEE shall maintain the Facility and all improvements in first class condition and repair throughout the term of this lease, ordinary wear and tear excepted, and in accordance with all applicable laws, rules, regulations and ordinances of federal, state, county, municipal or other governmental agencies having or claiming jurisdiction, including any agencies having jurisdiction over programs being provided by LESSEE. Lessee's maintenance responsibilities shall include, but are not limited to, interior building cosmetics including paint, woodwork, casework, carpets and flooring; maintenance of windows including broken glass; kitchen equipment including hoods, fans and exhaust systems; doors and their hardware; furniture; light bulbs, fixtures, lamps and their replacement; electrical receptacles and switches; restroom fixtures; pest control; repairs to building exterior caused by defacing, abuse or negligent acts by Lessee, its employees, clients, agents, contractors or invitees; any other maintenance or repair caused by negligent acts by Lessee, its employees, clients, agents, contractors or invitees which would otherwise be the responsibility of Lessor; any item not otherwise the responsibility of Lessor

6.2 Alterations. LESSEE shall not construct, improve, demolish, remove, replace, alter, reconstruct, remodel, or add to any existing improvements of the leased Facility in whole or in part ("alterations") without the prior written consent of LESSOR. Said consent shall not be unreasonably withheld.

6.2.1 The value of the improvements on the Facility upon completion of such alterations shall equal or exceed the value of the improvements on the Facility just prior to such work.

6.2.2 All such work shall be done in a good and skillful manner in compliance with all applicable building and zoning laws and all other laws, ordinances, orders and requirements of all authorities having or claiming jurisdiction.

6.3 Reconstruction After Damage. "Major Damage" means damage by fire or other casualty of the Building or the Premises or any substantial portion of the Building to be unusable, of which will cost more than 15 percent of the pre-damage value of the Building to repair, or which is not covered by insurance. In case of Major Damage, Lessor may elect to terminate this lease by notice in writing to Lessee within 60 days after such date. If this lease is not terminated following Major Damage, or if damage occurs which is not Major Damage, Lessor shall restore the Premises to the condition existing just prior to the damage. Lessee shall promptly restore all damage to Lessee improvements or alterations installed by Lessee or pay the cost of such restoration to Lessor

if Lessor elects to do the restoration of such improvements. Rent shall be reduced from the date of damage until date restoration work being performed by Lessor is substantially complete, with the reduction to be in proportion to the area of the Premises not useable by Lessee.

6.4 **Work Deemed to Be Construction.** Any maintenance, alterations, reconstruction, razing or other work undertaken as a single project, the cost of which is estimated to equal or exceed \$10,000, shall be deemed to be Construction and shall be subject to the conditions of Construction specified in paragraphs 6.5 and 6.6.

6.5 **Conditions of Construction.** Prior to commencement of the Construction, LESSEE shall comply with each of the following conditions:

6.5.1 Obtain all necessary land use approvals or permits, building permits or any other governmental permit or approval required prior to construction and both prior to commencing construction and throughout the term of the lease, comply with all governmental laws, rules and regulations applicable to the Construction.

6.5.2 Deliver to LESSOR for LESSOR'S reasonable approval two (2) sets of preliminary plans and specifications prepared by an architect or engineer licensed in the State of Oregon which are sufficient to enable LESSOR to make an informed judgment about the design and quality of the Construction. LESSOR shall not unreasonably disapprove such plans and specifications. Approval or disapproval shall be communicated to LESSEE in the manner provided for notices within ten (10) days after receipt of complete plans and specifications by LESSOR. Any disapproval shall be accompanied by a statement of the reasons for such disapproval. Following any disapproval LESSEE may elect either to revise the plans and specifications and resubmit them to LESSOR pursuant to this paragraph or to contest the reasonableness of the disapproval. LESSOR'S approval or disapproval under this paragraph is recognized as being only in its role as landowner, and does not affect its rights or duties as a regulatory governmental entity. The Construction shall conform in all significant respects with the approved plans and specifications except as otherwise authorized in writing by LESSOR.

6.5.3 Deliver to LESSOR such other proofs and copies as LESSOR shall reasonably request, including without limitation, proof that workers' compensation insurance has been procured to cover all persons employed in connection with the Construction and proof of issuance of all building and other permits required for the Construction.

6.5.4 Deliver to LESSOR a performance bond to guarantee the performance of the Construction and the payment of laborers and material suppliers. The bond shall be issued by a company licensed to do business in the State of Oregon, in a form sufficient to meet the provisions of ORS ch. 279 and in an amount equal to the full amount of the Construction.



6.6 Completion of Construction. Once construction has begun LESSEE shall prosecute it to completion with diligence. All work shall be performed in a good and skillful manner and shall comply with all applicable governmental permits, laws, ordinances and regulations. LESSEE shall pay or cause to be paid the total cost of the Construction.

6.7 LESSEE shall indemnify LESSOR against all loss, cost expense and liability arising out of or connected with any construction and with compliance with all building and land use laws, regulations and permits and with all laws and regulations relating to public improvements. LESSEE shall secure the completion of the construction free from all liens and claims of contractors, subcontractors, mechanics, laborers and material suppliers.

## SECTION 7. OWNERSHIP OF THE IMPROVEMENTS

7.1 All improvements on the Facility and alterations done thereto, be they existing at the time this lease was entered into or subsequently constructed by LESSEE or LESSOR, shall be deemed as owned by LESSOR. All improvements located on the Facility at the expiration or sooner termination of this lease shall become the property of LESSOR, free and clear of all claims of LESSEE or anyone claiming under LESSEE, and LESSEE shall indemnify and defend LESSOR, its Commissioners, officers, employees and agents, against all liability and loss arising from such claims. Nothing in this paragraph 7 shall alter other provisions of this lease, including without limitation restrictions on removal or alteration of the building on the Facility.

## SECTION 8. ASSIGNMENT; SUBLETTING

### 8.1 Assignment

8.1.1 LESSEE shall not assign or otherwise transfer LESSEE'S interest in this lease or the estate created by this lease without the prior written consent of LESSOR which shall not be unreasonably withheld. No consent in one instance shall remove the requirement for consent in any subsequent instance.

8.1.2 For purposes of this section 8.1, the sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of LESSEE, or of the interest of any general or joint venture partner or syndicate member or co-tenant if LESSEE is a corporation, partnership, joint venture, syndicate or co-tenancy, which shall result in changing the control of LESSEE shall be construed to be an assignment of this lease.

8.1.3 The terms of any assignment, whether or not the assignment requires the consent of LESSOR, shall include a covenant by the assignee that it assumes and agrees to pay and perform all of LESSEE'S obligations under this lease. No assignment shall release LESSEE of its obligations under this lease unless LESSOR so agrees in writing.

8.2 Right to Sublet. LESSEE shall not sublease any or all of the Facility or any improvements thereon.

## SECTION 9. INSURANCE; INDEMNIFICATION; LIENS

9.1 Fire and Hazard Insurance. LESSEE shall be responsible for insuring its personal property against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage.

9.2 Public Liability Insurance. LESSEE shall procure and continuously maintain during the term of this lease public liability and property damage insurance with limits of \$1 million per occurrence. The insurance shall specifically provide coverage from risks from underground hazards for the period during which any Construction is being performed. The insurance shall be in a form sufficient to protect LESSOR and LESSEE against claims of third persons for personal injury, death or property damage arising from the use, occupancy or condition of the Facility or improvements on the Facility. Lane County, its commissioners, officers, agents, and employees shall be named as additional insureds.

9.4 General Insurance Provisions. All policies of insurance which LESSEE is required by this lease to carry shall:

9.4.1 Provide that the insurer waives the right of subrogation against LESSOR and that any loss shall be payable notwithstanding any negligence or affirmative act of LESSOR.

9.4.2 Be issued by a responsible insurance company which is licensed to practice in the State of Oregon.

9.4.3 Be primary policies

9.4.4 Be evidenced by certificates furnished to LESSOR bearing endorsement requiring ten (10) days' written notice to LESSOR prior to any change or cancellation of the policies.

9.5 Indemnification. LESSEE shall indemnify, hold harmless and defend LESSOR, its commissioners, officers, employees and agents from any and all claims, losses, damages, expenses and liability arising out of or related to any activity of LESSEE'S use of the Facility or LESSEE'S failure to perform the terms of this lease.

9.6 Liens. LESSEE shall pay as due all claims for work done on and for services rendered or material furnished to the Facility and shall keep the Facility free from any liens. If LESSEE fails to pay any such claims or to discharge any lien, LESSOR may do so and collect the

cost as additional rent or a separate charge to LESSEE. Any such payment by LESSOR shall bear interest at the rate of 11% per annum from the date expended by LESSOR and shall be payable on demand. Such action by LESSOR shall not constitute a waiver of any right or remedy which LESSOR may have on account of LESSEE'S default.

9.6.1 LESSEE may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay, as long as LESSOR'S property interests are not jeopardized. If a lien is filed as a result of nonpayment, LESSEE shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with LESSOR cash or sufficient corporate surety bond or other surety satisfactory to LESSOR in an amount sufficient to discharge the lien plus any costs, attorney fees and other charges that could accrue as a result of a foreclosure of sale under the lien.

## SECTION 10. CONDEMNATION

10.1 If a condemning authority takes title by eminent domain or by agreement in lieu thereof to the entire Facility or a portion sufficient to render the Facility unsuitable for Lessee's use, then either party may elect to terminate this lease effective on the date that possession is taken by the condemning authority. All condemnation proceeds resulting from either a partial or total taking shall belong to Lessor, and Lessee shall have no claim against Lessor or the condemnation award because of the taking. Either party receiving any notice of intended taking, any service of legal process relating to condemnation or any other notification in connection with any taking, condemnation or purchase, sale or transfer in lieu of condemnation shall promptly give the other party notice of such receipt.

## SECTION 11. DEFAULT

Each of the following events shall be a default by LESSEE and a breach of this lease:

11.1 Performance Failures. Failure of LESSEE to perform any other term, condition or covenant of this lease within twenty (20) days after written notice from LESSOR specifying the nature of the failure with reasonable particularity. If the failure is of such a nature that it cannot be completely remedied within the twenty (20) day period, the failure shall not be a default if LESSEE begins correction of the failure within the twenty (20) day period and thereafter proceeds with reasonable diligence and in good faith to correct the failure as soon as practicable.

11.2 Attachment. Attachment, execution, levy or other seizure by legal process of any right or interest of LESSEE under this lease if not released within thirty (30) days.

11.3 Bankruptcy. An assignment by LESSEE for the benefit of creditors, the filing by LESSEE of a voluntary petition in bankruptcy, the filing of an involuntary petition in bankruptcy and failure of LESSEE to secure a dismissal of the petition within thirty (30) days after filing, the

appointment of a receiver to take possession of the Facility or improvements or the leasehold estate or of LESSEE'S operations on the Facility for any reason. For purposes of this paragraph the term "bankruptcy" includes all arrangements and chapters in the Bankruptcy Code.

11.4 Abandonment. Failure by LESSEE to use the Facility as described in Section 4.1 for a continuous period of one year unless said failure is the result of fire or similar catastrophe and LESSEE is making good faith efforts to resume use consistent with this agreement.

## SECTION 12. REMEDIES ON DEFAULT

12.1 In case of default as described in section 11, LESSOR shall have the right to the following remedies which are intended to be cumulative and in addition to any other remedies provided under applicable law.

12.1.1 LESSOR may terminate the lease and retake possession of the Facility. All of LESSEE'S rights in the Facility and in all improvements on the Facility shall terminate as of the date of termination. Promptly after such notice LESSEE shall surrender and vacate the Facility and all improvements broom clean and in good condition. LESSOR may reenter and take possession of the Facility and of all improvements and eject some or all parties in possession. Termination under this paragraph shall not relieve LESSEE from the payment of any sum then due to LESSOR or from any claim for damages previously accrued or then accruing against LESSEE.

12.1.2 LESSOR may recover damages caused by LESSEE'S default which shall include an amount equal to rentals lost because of the default, lease commissions paid for this lease, and the unamortized cost of any LESSEE improvements installed by LESSOR to meet LESSEE'S special requirements. LESSOR may sue periodically to recover damages as they occur throughout the lease term, and no action for accrued damages shall bar a later action for damages subsequently occurring. LESSOR may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the lease. Such damages shall be measured by the difference between the rent under this lease and the reasonable rental value of the Facility for the remainder of the term, discounted to the time of judgment at the prevailing interest rate on judgments.

12.1.3 LESSOR may make any payment or perform any obligation which LESSEE has failed to perform, in which case LESSOR shall be entitled to recover from LESSEE upon demand all amounts so expended, plus interest from the date of the expenditure at the rate of one-and-one-half percent per month. Any such payment or performance by LESSOR shall not waive LESSEE'S default.

12.2 In the event of a breach by LESSEE, LESSOR shall be entitled to damages for the reasonable cost of: re-entry and re-letting, including the cost of any cleanup, broker's or finder's fees and attorney fees.

#### SECTION 13 . SURRENDER ON TERMINATION

13.1 Surrender. Upon expiration of the lease term or renewal term LESSEE shall surrender possession of the Facility to LESSOR, including all improvements then located on the Facility, free of occupants and broom clean, all in good condition except for reasonable wear and tear since the last necessary restoration, repair or reconstruction made by LESSEE pursuant to this lease. All property that LESSEE is required to surrender shall become LESSOR'S property at the date of expiration of this lease. All property that LESSEE is not required to surrender, but that LESSEE does abandon shall, at LESSOR'S election, become LESSOR'S property on the date of expiration or termination of this lease.

13.2 Holdover. Failure by LESSEE to vacate the Facility at the time specified in this lease shall not constitute a renewal or extension or give LESSEE any rights in or to the Facility or any improvements. Upon such a holdover, LESSEE shall defend and indemnify LESSOR from all liability and expense resulting from the failure or delay of LESSEE to timely surrender the Facility including, without limitation, claims made by any succeeding tenant founded on or resulting from LESSEE'S failure to so surrender.

#### SECTION 14. MISCELLANEOUS

14.1 Nonwaiver. Waiver by either party of strict performance of any provision or term of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision or any other provision.

14.2 Notices. All notices under this lease shall be effective on the earlier of actual receipt or two (2) days after deposit as registered or certified mail, return receipt requested, postage prepaid and addressed to LESSOR or LESSEE at the addresses stated below, or to such other address as either party may specify by notice to the other party:

LESSOR: LANE COUNTY  
Property Management  
125 E. 8<sup>th</sup> Ave.  
Eugene, OR 97401

LESSEE: SHELTERCARE  
PO Box 23338  
Eugene, OR 97402

14.3 Severability. The invalidity or illegality of any provision of this lease shall not affect the remainder of the lease.

14.4 Governing Law. This lease and the party's rights under it shall be construed and regulated by the laws of the State of Oregon.

#### SECTION 15. GRANTS, LOANS, DONATIONS

15.1 LESSOR acquired funds to purchase the Facility through grants from State and Federal agencies. Said grants require that the Facility be used to provide affordable housing and other services to very low income persons. Said requirement will expire in July, 2026.

15.2 LESSOR acknowledges that LESSEE may acquire funding to operate and improve the Facility by receiving grants, loans or donations from public and/or private entities.

15.3 It shall be the sole responsibility of LESSEE to fulfill the obligations of any grants, loans or donations it receives related to the operation and/or improvement of the Facility. Said responsibility shall include, but is not limited to, any required repayment of grant, loan or donor funds. Termination or expiration of this lease agreement shall not affect LESSEE'S sole obligation to fulfill its grant, loan or donation obligations. LESSOR shall have no obligation to fulfill LESSEE'S grant, loan or donation obligations or to allow the leased Facility to be used as collateral for any grants, loans or donations LESSEE may receive.

**Signature Page**  
**Lease Agreement for Safe Haven Facility**  
**Lane County/ShelterCare**

**LESSOR: LANE COUNTY**

By: \_\_\_\_\_  
Jeff Spartz  
Title: County Administrator  
Date: \_\_\_\_\_

**LESSEE: SHELTERCARE**

By: \_\_\_\_\_  
Title: Executive Director  
Date: \_\_\_\_\_