

RESOLUTION NO. 1017

A RESOLUTION AUTHORIZING INTERGOVERNMENTAL AGREEMENT BETWEEN TUALATIN VALLEY FIRE & RESCUE, A RURAL FIRE PROTECTION DISTRICT, AND THE CITY OF WILSONVILLE, A MUNICIPAL CORPORATION FOR A LEASE WITH OPTION TO PURCHASE PROPERTY.

WHEREAS, the City of Wilsonville has a need to lease the premises commonly known as the Maintenance Facility and the Tualatin Valley Fire & Rescue, a Rural Fire Protection District, due to a previous merger and consolidation of facilities desires to lease same; and

WHEREAS, the parties have also negotiated an option for the purchase by the City of the property and the terms and conditions of such a lease with option to purchase property.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

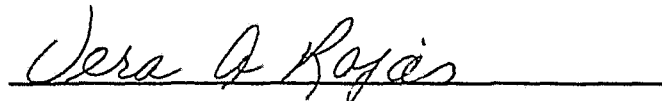
1. The Mayor is authorized on behalf of the City to enter into the Intergovernmental Agreement Between Tualatin Valley Fire & Rescue, a rural Fire Protection District and the City of Wilsonville, a municipal corporation for a lease with option to purchase, a copy of which is marked Exhibit "A", attached hereto and incorporated by reference herein.

ADOPTED by the Wilsonville City Council at regular meeting thereof this 21st day of June, 1993.



GERALD A. KRUMMEL, Mayor

ATTEST:



VERA A. ROJAS, CMC/AAE, City Recorder

SUMMARY of Votes:

Mayor Krummel	<u>AYE</u>
Councilor Van Eck	<u>ABSENT</u>
Councilor Carter	<u>AYE</u>
Councilor Hawkins	<u>AYE</u>
Councilor Lehan	<u>AYE</u>

Exhibit "A"

**INTERGOVERNMENTAL AGREEMENT BETWEEN
TUALATIN VALLEY FIRE AND RESCUE,
A RURAL FIRE PROTECTION DISTRICT, AND
THE CITY OF WILSONVILLE, A MUNICIPAL CORPORATION,
FOR A LEASE WITH OPTION TO PURCHASE PROPERTY**

THIS WRITING is in witness of an intergovernmental agreement authorized by ORS 190.003 et seq. for a lease with option to purchase made and entered into this day and year as last appears hereunder, and effective July 1, 1993, by and between:

TUALATIN VALLEY FIRE AND RESCUE, a rural Fire Protection District,
hereinafter referred to as the "LESSOR",

and

THE CITY OF WILSONVILLE, an Oregon municipality, hereinafter referred to as
the "LESSEE".

WITNESSETH:

1. In consideration of the covenants made and exchanged by and between the parties hereto as hereinafter set forth and the rent to be paid by the LESSEE to the LESSOR as hereinafter provided, the LESSOR does hereby lease, demise and let unto the LESSEE the Tualatin Valley Fire and Rescue Maintenance Facility and the northerly 280 feet of the site (1.6 acres of the 3.91 acre site), together with access over the remaining 3.91 acres, located at 8455 SW Elligsen Road, as described by Exhibits A, B and C. The Facility, 1.6 acres of the 3.91 acres, and the access over the remaining 3.91 acres is hereinafter referred to as the "premises."

2. To have and to hold said premises hereby leased to the said LESSEE, its personal representatives, successors or assigns, commencing July 1, 1993.

3. During the term of this Lease the LESSEE covenants and agrees to pay rent to the order of the LESSOR, its personal representatives, successors or assigns, at such place as the LESSOR may subsequently direct, rent as follows:

Commencing July 1, 1993, Four Thousand and No/100 Dollars (\$4,000.00) per month for one hundred sixty-three months. The first of such monthly rental payments to be made on or before July 1, 1993, and a like payment on the first day of each month thereafter for the term of 13 years 7 months.

4. It is understood and agreed between the parties hereto that the LESSEE shall conduct the municipal business affairs of the City of Wilsonville on said premises, but shall not conduct any other type of business on said premises without the written consent of the LESSOR being first obtained; and which consent the LESSOR agrees not to unreasonably withhold. The LESSEE shall not assign this Lease, nor sublet any part of the leased premises without the prior written consent of the LESSOR being first obtained; and which consent the LESSOR agrees not to unreasonably withhold. Any assignee or subtenant shall hold the premises subject to all of the terms and conditions of this agreement, and no assignment or subletting shall be permitted if the LESSEE herein is in default in any particular of the terms and conditions of this agreement.

5. The LESSEE covenants to make no unlawful, improper or offensive use of said premises, not to suffer or permit any waste or strip thereof, not to permit any objectionable noises or odors to escape or to be emitted from said premises or to do anything or permit anything to be done on or about the said premises in any way tending to create a nuisance.

6. The LESSEE agrees to comply, at LESSEE's own expense, with all of the laws and regulations of city, county, state, federal or other public authorities respecting the use of said leased premises.

7. During the term of this lease or any extensions hereto, any alterations or improvements will be at the sole expense of the LESSEE and subject to the prior written approval of the LESSOR, which approval shall not be unreasonably withheld. Any and all improvements to the premises so made, constructed or installed by the LESSEE and which are not of a permanent nature and which may be removed or disconnected from said premises without damage to the freehold, may be removed by said LESSEE at any time prior to the expiration of this Lease term, or any renewals or extensions hereof. However, improvements of a permanent nature, the removal of which would cause damage to the freehold, and whether installed, constructed or erected by the LESSOR or the LESSEE, or either of them, shall remain and shall become, upon the expiration of this Lease, the sole property of the LESSOR, without any right of reclamation in the LESSEE whatsoever and without any right of contribution from the LESSOR for the cost thereof, or any part of the cost thereof.

8. The LESSOR agrees to maintain in good order and repair during the term of this Lease a suitable heating system, the exterior walls, roof, gutters, downspouts and foundations of the building erected on said premises; provided, however, that all interior upkeep of said building due to normal wear and tear of the LESSEE and any repairs necessitated by the acts of the LESSEE, its employees, agents or invitees, shall be paid at the sole expense of said LESSEE.

9. The LESSOR further agrees to insure and keep insured said leased building against loss by fire with extended coverage in an amount not less than full insurable value.

10. The LESSEE agrees to pay all utilities such as heat, lights, sewer, water, garbage and telephone service. Furthermore, the LESSOR agrees to provide a desk, office chair, two side chairs, book shelves and a file cabinet for each office as previously provided and in existence at the execution of this Lease.

11. The LESSEE may erect on the premises a sign, or signs, comparable to the existing site signage, with the LESSEE's name thereon and other matters relevant to its business, but any such sign or signs shall be erected at LESSEE's expense and in conformity with the rules and regulations of any public authority which pertains to any such signs. Such signs shall be removed by the LESSEE at its own expense at the expiration of this Lease agreement or any renewals or extensions hereof.

12. The LESSEE will not permit any liens or other encumbrances to attach to said premises or any part thereof as a result of the conduct of its business thereon or because of any alterations or remodeling which it may make, but will pay when due or otherwise discharge all claims, debts and obligations incurred by it in the conduct and management of its business. Nothing aforesaid shall be construed to relinquish the LESSEE's rights, in good faith, to legally contest the validity of any claim and to deny payment of same until the legal rights have been determined.

13. It shall be lawful for the LESSOR, its agents and representatives, at any reasonable time, to enter into or upon said premises for the purpose of examining the condition thereof, or for any other lawful purpose.

14. The LESSEE further agrees that at all times during the term of this Lease and during the time of any renewals or extensions hereof, it will carry liability insurance in a company or companies acceptable to the LESSOR and for the purpose of protecting the LESSOR and the LESSEE from the claims of any person or persons for injuries or damage sustained on or about the leased premises.

15. If the LESSEE shall fail or neglect to do or perform any or singular of the promises, conditions or covenants by it to be kept and/or performed, except as to the payment of rent, the LESSOR shall first give the LESSEE written notice of such neglect or default and afford it at least ten days in which to correct and rectify the same. If the LESSEE continues in such default or neglect after notice thereof is given and the time in which to rectify has elapsed, or if the LESSEE shall be in arrears in the payment of rent for a period of ten days, or if the LESSEE is declared bankrupt, or if it shall make an assignment for the benefit of creditors, or if any creditor of the LESSEE attempts to attach, garnish or levy on, by any process of law, any of the property of the LESSEE or any of the property subject to this Lease, then and in either of said events the LESSOR, or those having their estate in the premises, at its option, immediately or at any time thereafter and without further demand or notice, may enter into and upon said premises and repossess the same and the whole thereof as of their former estate and expel the LESSEE, or those claiming under it, without being deemed guilty in any manner of trespass.

16. **Damage by Casualty, Fire and Duty to Repair** - In the event of the destruction of the building in which said leased premises are located by fire or other casualty, the parties may mutually terminate this Lease as of the date of said fire or casualty. Provided, however, if the parties do not mutually agree to terminate this Lease, LESSOR shall repair said building, at LESSOR's expense, up to the amount of the insurance coverage as provided in paragraph No. 9 above. LESSOR's repair shall be with all convenient speed, and LESSOR shall have the right to take possession of and occupy, to the exclusion of the LESSEE, all or any part of said building in order to make the necessary repairs, and the LESSEE hereby agrees to vacate upon request, all or any part of said building which the LESSOR may require for the purpose of making necessary repairs, and for the period of time between the day of such damage and until such repairs have been substantially completed there shall be such an abatement of rent as the nature of the injury or damage and its interference with the occupancy of said leased premises by said LESSEE shall warrant; however, if the premises be but slightly injured and the damage so occasioned shall not cause any material interference with the occupation of the premises by said LESSEE, then there shall be no abatement of rent and the LESSOR shall repair said damage with all convenient speed.

17. At the expiration of the term of this Lease, or upon any sooner termination hereof, the LESSEE agrees to quit and deliver up the premises to the LESSOR, or those having their estate in the premises, peaceably, quietly and in as good order and condition, reasonable use and wear thereof, and damage by fire and the elements alone excepted, as the same are now in or hereafter may be put in by the LESSOR or the LESSEE.

18. The LESSOR represents to the LESSEE and expressly covenants that it is the lawful owner of the above described premises, and that it has a good right to lease the same or any part thereof, and that it will warrant and defend the LESSEE's interest therein against the lawful claims and demands of any person or persons whomsoever.

19. All rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend to, inure to the benefit of and bind as the circumstances may require, the personal representatives, successors and so far as this Lease is assignable by the terms hereof, to the assigns of such parties.

20. Provided this Lease is in good standing and free from default, LESSOR, for value received, grants to LESSEE the sole, exclusive and irrevocable option to purchase the premises for a base price of \$650,000.00, together with the aggregate of funds, if any, between the date of this Lease and the exercise of this option expended by LESSOR and reported in writing to LESSEE on maintenance of the premises and for the cost of any fire and casualty insurance premiums paid by LESSOR during the term hereof, and there shall be deducted from said purchase price the total of all rents paid as set forth in paragraph 3 above. The net sum so ascertained shall be the option purchase price of said premises.

21. The option to purchase set forth above is to be exercised prior to February 1, 2007, by LESSEE notifying LESSOR of its intent to exercise the option by a writing sent to LESSOR at _____; immediately thereafter the parties hereto, following the formula stated above, shall determine the amount of said option purchase price. The LESSEE shall then tender any sums owing for full payment of the option purchase price into a mutually agreed upon escrow, and LESSOR shall provide a preliminary title report in the amount of the purchase price showing marketable title to the above described premises in LESSOR and shall execute and deliver a warranty deed to the premises in consideration of the payment of the option purchase price by LESSEE. The costs of the escrow shall be borne equally by the parties, save and except the LESSOR shall pay the costs of title insurance.

22. Within thirty days from the date of delivery of said deed, the LESSOR agrees to deliver to the LESSEE a policy of title insurance insuring in the amount of said selling price marketable title to the above described premises in LESSOR, subject to building restrictions, zoning ordinances, if any, and any liens or encumbrances against said premises to be assumed by LESSEE in said sale; said LESSOR may have a reasonable time to correct any defects of title which may appear.

23. Should LESSEE fail to exercise its said option, the foregoing Lease shall continue until terminated pursuant to its terms.

24. This Lease and option shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective successors and assigns of the LESSOR, and, so far as the terms hereof permit assignment, the successors and assigns of the LESSEE as well.

25. In the event the LESSEE for any reason shall hold over after the expiration of this Lease and without exercising its option to renew as herein granted, such holding over shall not be deemed to operate as a renewal or extension of this Lease, but shall only create a tenancy from month to month which may be terminated at will at any time by the LESSOR.

26. In case suit or action is instituted to enforce compliance with any of the terms, covenants or conditions of this Lease, or to collect the rent which may become due hereunder, or any portion thereof, the party not prevailing agrees to pay, in addition to the costs and disbursements provided by statute, such additional sum as the court may adjudge reasonable for attorney's fees to be allowed prevailing party in such suit or action.

27. Any waiver by the LESSOR of any breach of any covenant herein contained to be kept and performed by LESSEE shall not be deemed or considered as a continuing waiver, and shall not operate to bar or prevent the LESSOR from claiming a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise.

28. Any alterations, modifications or additions to this Lease agreement, in order to be binding upon the parties hereto, shall be reduced to writing, signed by the parties or their lawful agents and incorporated with this agreement by specific reference thereto.

29. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate on the _____ day of _____, 1993.

LESSOR: TUALATIN VALLEY FIRE AND RESCUE

By _____

By _____

LESSOR: THE CITY OF WILSONVILLE

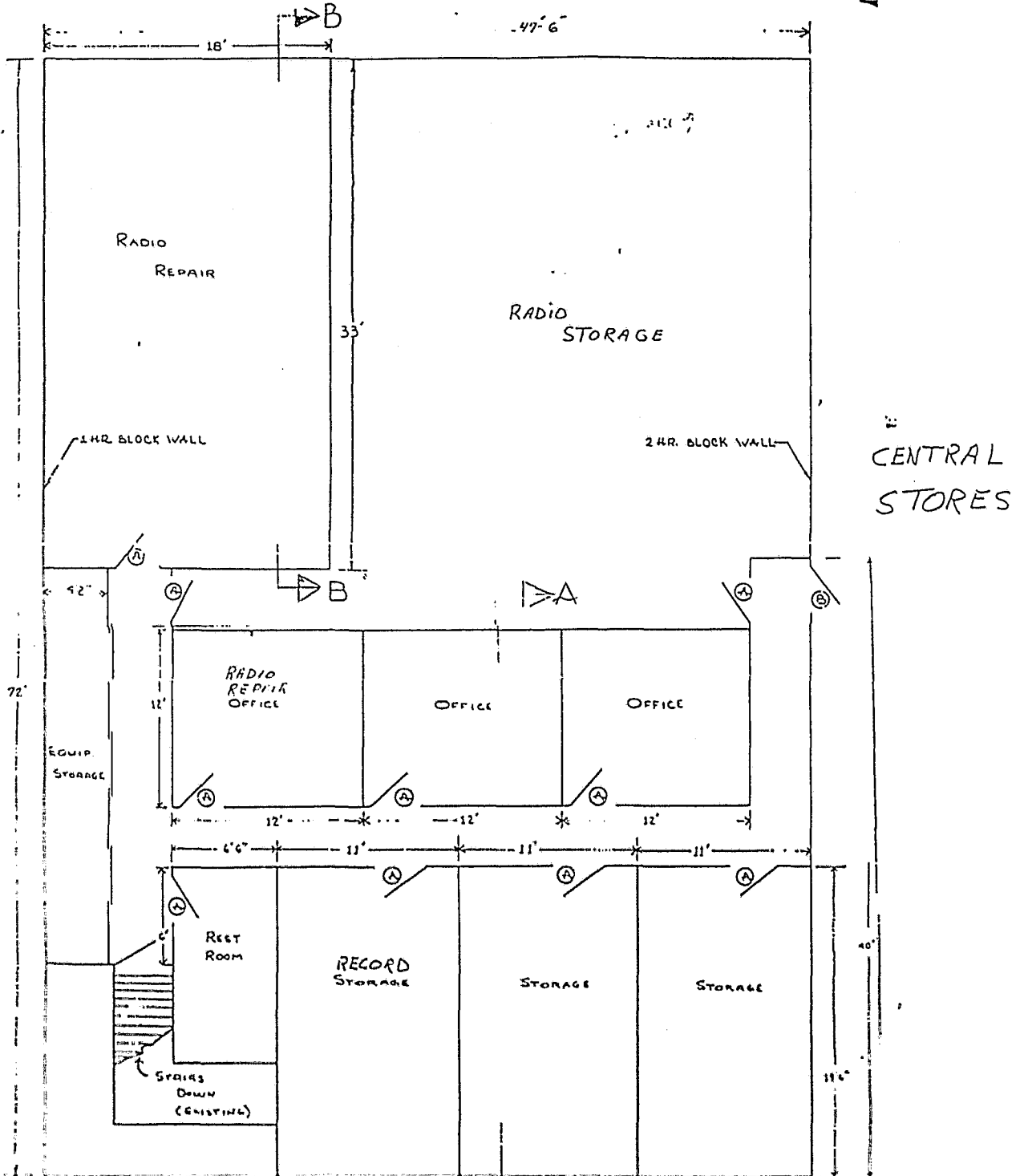
By *David A. Brummel*
Mayor

Attest: *Jessie A. Rojas*
City Recorder

EXHIBIT B

SECOND FLOOR

OVER CENTER SECTION OF BUILDING ONLY



OWNER SCHEDULE:
(1) SOLID WOOD FLOOR 13' 0" x 6' 0"
(2) BUILT UP FLOOR DOWN 1/2" RISE

