

W.3.E.2

Memorandum Date: October 21, 2008

Order Date: November 5, 2008

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To: Lane County Board of Commissioners

Department: Youth Services

Presented by: Lynne Schroeder

Agenda Item Title: Order/IN THE MATTER OF Approving a Lease Amendment with Looking Glass Youth and Family Services, delegating authority to the County Administrator to execute the Amendment and appropriating the revenue to the Department of Youth Services budget.

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I. **MOTION:** Move Approval of Board Order 08-11-\_\_\_\_\_approving a Lease Amendment with Looking Glass Youth and Family Services, delegating authority to the County Administrator to execute the Amendment and appropriating the revenue to the Department of Youth Services budget.

II. **AGENDA ITEM SUMMARY**

The Board is being asked to:

- 1) Approve a Lease Amendment from November 1, 2008 through June 30, 2011 with Looking Glass Youth and Family Services for use of property on the Serbu Campus for a residential drug and alcohol treatment program for girls that is funded by the Oregon Youth Authority,
- 2) Delegate the authority to execute the Amendment to the County Administrator, and
- 3) Appropriate the revenue to the Department of Youth Services budget.

III. **BACKGROUND**

A. **Board Action and Other History**

Funding for residential drug and alcohol services for delinquent males has been provided by the County budget since 1990. The County has never had the resources to expand those treatment services to adolescent females in the Juvenile Justice System. Lane County's juvenile justice services moved into the John Serbu Campus in March of 2000.

At that time, there was sufficient county funding to support staffing 32 of the 96 secure custody beds in the Juvenile Justice Center, 14 of the 21 beds in the Pathways building for adolescent males and 14 of the 21 beds in the Assessment Center for shelter/short term residential placement for adolescent males. The reduction in state and county funding over the past 4 years has resulted in a complete loss of the 14 shelter/short term residential beds and a reduction to 8 beds for boys in the Pathways program. In 2005, in order to retain all 32 secure custody beds, Department of Youth Services transitioned 16 of them into a secure treatment program that was able to generate federal reimbursement funding to make up county shortfalls. Due to the collaborative, creative and tenacious efforts of County Commissioners and the Eugene City Council, the County was able to further salvage the 8 Pathways beds and the 16 secure residential treatment beds in the last budget process.

This history currently leaves the county with 64 unfunded and unoccupied secure custody beds and 35 unfunded and unoccupied residential treatment beds. The Department of Youth Services, as stewards of this space, has worked collaboratively with Oregon Youth Authority (OYA), Lane Education School District (ESD), other agency partners and the District Attorney's office to effectively use some of this space. OYA and other partners rent office space, Lane ESD is our collaborator in the Martin Luther King Jr. Education Center located in one of the vacant PODs and the Kid's First program is now occupying the front part of the Assessment Center.

Looking Glass applied for and was granted a contract with OYA to provide residential drug and alcohol treatment services to 15 adolescent females committed to the care and custody of Oregon Youth Authority. Looking Glass is requesting to use the unoccupied bed space in the Pathways building and the unused dayroom, kitchen, dining room and office spaces in the back half of the Assessment Center for this program. They will keep the boys program completely separate from the girls program, thus minimizing distractions and maximizing safety and program fidelity. The program is available to OYA referrals from counties across the state. Lane County OYA will have the ability to refer girls to this program now, allowing them to stay connected to their families and have their families engaged in treatment. This is a very positive addition of treatment resources, as there are currently no funded drug and alcohol treatment beds for girls in Lane County.

## **B. Board Goals**

The facilities on the Serbu Campus were built to provide quality and strength-based, family focused services to Lane County youth. It has been heartbreaking to see these facilities become increasingly vacant over the years, rather than see their use expanded and filled with effective, community based services. Providing space for Looking Glass to

manage a girl's drug and alcohol treatment program in these facilities meets the overarching County goal of providing services to youth. The Pathways boys program has been evaluated with the Correctional Program Checklist evaluation tool and process developed by Dr. Ed Latessa. It scored in the effective category. The Pathways girls program is training its staff in the use of evidence based methodology to work with high risk female youthful offenders. It is expected that this program will also have a positive impact on the reduction of recidivism and increase in community safety both in Lane County and across the state.

### **C. Analysis**

The County has had a no cost Lease with Looking Glass to use the Pathways building for the County boy's program since moving to the Campus. This Amendment requires Looking Glass to reimburse the County \$4000 per month for use of the space in both buildings for the OYA girl's program. As previously established in the Lease, Looking Glass is responsible for day to day maintenance issues and the County remains the overseer of structural maintenance. This is a 3 year lease. The total amount of revenue over the time frame exceeds \$100,000 and thus requires Board approval.

The \$48,000 in revenue each year will assist Youth Services in covering some of the costs that persist when buildings are left empty. Buildings must still be heated, cooled and maintained, regardless of their level of use. In recent years, these costs have come out of the already stretched budget for DYS. This funding will help stabilize that drain of resources.

### **D. Alternatives**

- (1) Approve the Lease Amendment with Looking Glass, authorize the County Administrator to execute the lease amendment in substantial conformity with the attachment, and appropriate the funds to the Department of Youth Services budget, thus generating revenue to cover Youth Services building costs as well as support agency partners in providing effective services to Lane County and Oregon females in the juvenile justice system.
- (2) Disapprove the lease amendment, thus inhibiting the ability of Youth Services to generate revenue to cover building costs and not support agency partners in providing needed and effective services to females in the juvenile justice system.

#### **d. Recommendations**

- (1) Approve the Lease Amendment,
- (2) Authorize the County Administrator to execute the amendment,

(3) Appropriate the revenue to the Department of Youth Services budget.

**IV. IMPLEMENTATION**

The Board can approve the Amendment and Youth Services will forward it to the County Administrator for signature.

**V. ATTACHMENTS**

1. Proposed Order
2. Original Lease
3. Current Lease Amendment

IN THE BOARD OF COMMISSIONERS FOR LANE COUNTY

ORDER 08-11-\_\_\_\_\_: IN THE MATTER OF Approving a Lease Amendment with Looking Glass Youth and Family Services, delegating authority to the County Administrator to execute the Amendment and appropriating the revenue to the Department of Youth Services budget.

WHEREAS, Lane County has facilities built for the purpose of providing treatment services to youth involved with the juvenile justice system,

WHEREAS, many of these facilities are vacant due to the inability to fund needed services,

WHEREAS, Lane County has an existing lease with Looking Glass to provide residential drug and alcohol treatment services to adolescent males,

WHEREAS, amending the lease will provide Youth Services with needed funds to maintain these buildings and will allow Looking Glass to provide residential drug and alcohol services to adolescent females,

NOW, THEREFORE, it is hereby ordered that the Lease Amendment with Looking Glass Youth and Family Services, Inc. from November 1, 2008 through June 30, 2009 is approved, the County Administrator is authorized to execute the amendment in substantial conformity with the attached lease, and the revenue and expense is appropriated to the General Fund budget of the Department of Youth Services.

Dated this \_\_\_\_\_ day of November 2008.

\_\_\_\_\_  
Chair, Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 10/29/08  
[Signature]  
OFFICE OF LEGAL COUNSEL

**Lease Amendment #1  
Lane County/Looking Glass**

Whereas Lane County, a political subdivision of the State of Oregon (Lessor) and Looking Glass Youth and Family Services, Inc., a private, not for profit corporation (Lessee) entered into a lease agreement for the period March 1, 2004 through June 30, 2005 for property located within Lessor's Juvenile Justice Center complex on Martin Luther King Jr. Blvd., in Eugene, OR; and

Whereas said lease was renewed for the period July 1, 2005-June 30, 2008 and from July 1, 2008 through June 30, 2011;

Whereas Lessee provides residential substance abuse treatment, assessment and transitional living services on the premises to the youth of Lane County under a separate contract agreement with Lessor and Lessee will continue to provide said services;

Whereas, Lessee has entered a separate contract with the State of Oregon, Oregon Youth Authority (hereinafter referred to as OYA) to expand the residential substance abuse treatment, assessment and transitional living services provided on the premises to youth of the State of Oregon;

Effective November 1, 2008, Lessor and Lessee wish to amend said lease agreement subject to the following changes:

1. Lessee will pay \$2333 per month to Lessor for the expanded use of the space at 2655 Martin Luther King Jr. Blvd. (referred to as the "Premises" in the original lease) for the program operating under the contract with OYA. Lessee will continue to pay all utility costs as established in the Lease.
2. Lessee will pay \$1667 per month to Lessor for the use of the space at 2675 Martin Luther King Jr. Blvd. Lessee will have access to the back portion of the building, including the residential and day room spaces, the group rooms, kitchen, dining room, control rooms and adjacent spaces. This payment will include all utility costs for Lessee's use of these spaces.
3. Lessor will continue to exclusively use the front portion of 2675 Martin Luther King Jr. Blvd. and will continue to have access to the rear northeast residential day room area. Lessee will facilitate Lessor's access to these portions of the building and will maintain effective communication and cooperative relationships with Lessor's agents and affiliates that use these portions of the building.
4. Per ORS 307.166, Lessee will be responsible for filing a tax exemption with the County Assessor for this amendment.

5. For purposes of Notices (section 14.2 of the original lease) contact for Lessor shall be: Lessor: Lane County  
c/o Youth Services Director  
2727 MLK Jr. Blvd.  
Eugene, OR 97401

All other terms and conditions of the original lease agreement and extensions and renewals thereof not affected by this amendment shall remain in full force and effect.

**LESSOR (Lane County)**

**LESSEE (Looking Glass)**

\_\_\_\_\_  
Jeff Spartz  
County Administrator

\_\_\_\_\_  
Chad Westphal  
Authorized Agent

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**LEASE RENEWAL  
LANE COUNTY/LOOKING GLASS**

Whereas Lane County, a political subdivision of the State of Oregon (Lessor), and Looking Glass Youth and Family Services, Inc., a private, not for profit corporation (Lessee) entered into a lease agreement for the period March 1, 2004 through June 30, 2005 for property located within Lessor's Juvenile Justice Center complex on Martin Luther King B'ld. in Eugene, OR and

Whereas, said lease was renewed for the period July 1, 2005 – June 30, 2008 and

Whereas, Lessee provides residential substance abuse treatment, assessment and transitional living services on the premises to the youth of Lane County under separate contract agreement with Lessor and

Whereas, Lessee will continue to provide said services

Lessor and Lessee wish to renew said lease agreement for the period July 1, 2008 through June 30, 2011 subject to the following changes:

1. **Section 2.2.** The words "should termination of said contract occur prior to June 30, 2005" shall be deleted. Section 2.2 shall now read as follows:

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

All other terms and conditions of the original lease agreement and extensions and renewals thereof not affected by this renewal shall remain in full force and effect.

LESSOR (Lane County)

Jeff Spartz  
Jeff Spartz, Administrator

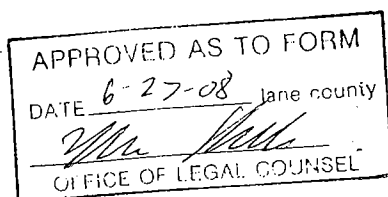
6/30/08  
Dated

LESSEE (Looking Glass)

Chad Westphal  
Authorized Agent

Chad Westphal  
Printed Name of Agent

6/27/08  
Dated





## LEASE

This lease is entered into by and between LANE COUNTY, a political subdivision of the State of Oregon, hereinafter "LESSOR", and LOOKING GLASS YOUTH AND FAMILY SERVICES, INC., a private, not-for-profit corporation, hereinafter "LESSEE".

### RECITALS:

- A. LESSOR is the owner of real property located on Martin Luther King Boulevard in Eugene, Oregon. Said real property is more fully described on the attached Exhibit A.
- B. LESSEE has contracted with LESSOR to operate a residential substance abuse treatment program and also a residential assessment and transitional living program, to be housed in buildings on Lessor's said real property, said building hereinafter referred to as the "Premises".
- C. By the County's leasing the Premises to the LESSEE at no cost, the programs may continue uninterrupted, thereby providing services to those juveniles in need of them which are not otherwise available. 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 Premises on the terms and conditions set forth below.

### SECTION 2. TERM

2.1 The term of this lease shall begin on March 1, 2004 and shall continue to midnight on June 30, 2005, 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 should termination of said contract occur prior to June 30, 2005.

### 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 juveniles, and thereby reduce their criminal and anti-social behavior.

#### SECTION 4. USE OF PREMISES

4.1 LESSEE shall use and permit the use of the Premises only for the operation and maintenance of a juvenile alcohol and drug treatment program and an assessment and transitional living program in fulfillment of its services contracts with LESSOR. LESSOR retains the right to use the grounds surrounding the Premises as noted in Attached Exhibit "A". Any use of said grounds by LESSEE shall be with the permission of and regulation by LESSOR. LESSEE shall refrain from storing on or discharging from or onto the Premises 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 Premises. Excepting improvements located on the Premises made pursuant to LESSOR'S construction contract with Drake/Chambers, a joint venture partnership, LESSEE shall pay for all improvements located on the Premises or personal property or fixtures located on the Premises 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 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 Premises are 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 Premises 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 Premises.

## SECTION 6 MAINTENANCE; ALTERATIONS; RECONSTRUCTION

6.1 Maintenance. LESSEE shall maintain the Premises 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 a juvenile residential drug and alcohol treatment program or transitional living program. 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

6.1.1 LESSOR shall be responsible for the maintenance and repair of the following: HVAC system; original installation Electrical System including branch circuits but excluding switches and receptacles; foundation; exterior roof; original installation plumbing including water, sewer pipes, vent lines and storm drains; parking lot; landscaping and irrigation; building exterior except as provided in 6.1 above; security system.

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

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.

6.2.3 Any alterations performed by Lessee pursuant to Section 6.2 shall require the approval of Lessor. Said approval shall not be unreasonably withheld

6.3 Reconstruction After Damage. If any building or other improvement on the Premises is damaged or destroyed by fire or any other cause excepting damage from earthquakes, at any time during the lease term, whether or not covered by insurance, LESSEE shall promptly repair the damage and restore the improvement. The completed repair, restoration or replacement shall be equal in value, quality and use to the condition of the improvement immediately before the damage.

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 judgement 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.

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.

## SECTION 7. OWNERSHIP OF THE IMPROVEMENTS

7.1 All improvements constructed on the Premises by LESSEE shall be deemed as owned by LESSEE until expiration or sooner termination of this lease. All improvements located on the Premises 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 Premises.

## 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 Premises or any improvements thereon.

## SECTION 9. INSURANCE; INDEMNIFICATION; LIENS

9.1 Fire and Hazard Insurance. LESSEE shall throughout the lease term keep the Construction and all buildings on the Premises insured against loss by fire and other hazards covered by a standard form of fire insurance policy with extended coverage endorsement including vandalism and malicious mischief. The amount of the insurance shall not be less than the replacement cost of the insured improvements and shall also be sufficient to prevent LESSEE from becoming a co-insurer under the provisions of the policies. LESSOR shall not carry any insurance that would result in a reduction of the protection of payment to LESSEE under any insurance described above.

### 9.2 Proceeds of Fire and Hazard Insurance

9.2.1 The proceeds of the policies described above shall be used to repair, restore and replace any damaged or destroyed improvements as provided in paragraph 6.3. LESSOR shall cooperate fully with LESSEE to obtain the largest possible recovery but LESSOR shall have no expense or cost in that connection.

9.2.2 All policies of insurance required by paragraph 9.1 shall provide that the proceeds shall be paid to LESSEE and the proceeds shall be deemed to be held in trust by LESSEE for the uses and purposes required by this lease.

9.3 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 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 Premises or improvements on the Premises. 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 Premises 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 Premises and shall keep the Premises 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 Premises or a portion sufficient to render the Premises 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 Premises or improvements or the leasehold estate or of LESSEE'S operations on the Premises for any reason. For purposes of this paragraph the term "bankruptcy" includes all arrangements and chapters in the Bankruptcy Code.

## 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 Premises. All of LESSEE'S rights in the Premises and in all improvements on the Premises shall terminate as of the date of termination. Promptly after such notice LESSEE shall surrender and vacate the Premises and all improvements broom clean and in good condition. LESSOR may reenter and take possession of the Premises 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 Premises 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 termination 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 Premises to LESSOR, including all improvements then located on the Premises, 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 Premises at the time specified in this lease shall not constitute a renewal or extension or give LESSEE any rights in or to the Premises 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 Premises 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  
c/o Youth Services Director  
2411 Martin Luther King Boulevard  
Eugene, OR 97401

LESSEE: LOOKING GLASS YOUTH AND FAMILY SERVICES, INC.  
c/o Marie Jackson  
72B Centennial Loop, Suite 2  
Eugene, OR 97401

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.

LESSOR:

LANE COUNTY

By: William A. Carlson

Title: County Administrator

Date: 5-14-04

LESSEE:

LOOKING GLASS YOUTH AND FAMILY SERVICES, INC.

By: [Signature]

Title: Executive Director

Date: 4/22/04

**EXHIBIT A**  
**Property Description**

**Map No. 17.03.29.4**  
**Tax Lot No.: 402**  
**Section 29**  
**Township 17**  
**Range 3W**

**Beginning at a point which is 100.01 feet South 826.95 feet East and  
N.88°57'30"E. 70.0 feet from the SW corner of Co. Survey No. 1781, thence  
South 130.0 feet thence  
N.88°57'30"E. 250.0 feet thence  
South 350.0 feet thence  
N.88°57'30"E. 494.89 feet thence  
N.01°22'10"E. 474.37 feet, thence  
S.89°24'40"W. 756.25 feet more or less to the Point of Beginning.**

**Containing more or less 6.30 acres**