



CENTRAL OREGON  
COMMUNITY COLLEGE

Board of Directors' Meeting – AGENDA  
Wednesday, January 8, 2020 – 5:45PM  
Christiansen Boardroom-Boyle Education Center  
COCC Bend Campus

| TIME**  | ITEM                                   | ENC.* | ACTION                  | PRESENTER           |
|---|--|-------|-------------------------|---------------------|
| 5:45 pm   | I. <b>Call to Order</b>                |       |                         | Craska Cooper       |
|   | II. <b>Introduction of Guests</b>      |       |                         | Craska Cooper       |
|   | III. <b>Agenda Changes</b>             |       |                         |                     |
|   | IV. <b>Public Comments</b>             |       |                         |                     |
|   | A. OSU-Cascades Update                 |       |                         | Becky Johnson☐      |
|   | V. <b>Reports</b>                      |       |                         |                     |
|   | A. 2019 Audit Report                   | 5.a*  | X                       | Auditors☐           |
|   | VI. <b>Consent Agenda***</b>           |       |                         |                     |
|   | A. Minutes                             |       |                         |                     |
|   | 1. Regular Meeting (December 11, 2019) | 6.a1  | X                       | Smith               |
|   | B. Personnel                           |       |                         |                     |
|   | 1. New Hire Report (November 2019)     | 6.b1  | X                       | Boehme <sup>A</sup> |
| C. 2020 Mileage and Meal Per Diem Rates                                 | 6.c                                    | X     | Dona <sup>A</sup>       |                     |
| D. Veteran's Dependent/Spouse Tuition Waiver                            | 6.d                                    | X     | Moore <sup>A</sup>      |                     |
| VII. <b>New Business</b>  |  |       |                         |                     |
| A. 2020-21 Residence Hall Room & Meal Rates                             | 7.a                                    | X     | Moore/Dona <sup>A</sup> |                     |
| B. Update–2019-20 General Fund -<br>Revenue & Expenditures              | 7.b*                                   |       | Dona☐                   |                     |
| VIII. <b>Information Items</b>  |  |       |                         |                     |
| A. Financial Statements   | 8.a                                    |       | Bloyer <sup>A</sup>     |                     |
| B. Season of Non-Violence   | 8.b                                    |       | Moore <sup>A</sup>      |                     |
| C. Strategic Goal 2   | 8.c                                    |       | McCoy/Murphy☐           |                     |
| D. Legislative Preview  | 8.d                                    |       | McCoy <sup>A</sup>      |                     |
| E. Financial Certification  | 8.e                                    |       | Bloyer <sup>A</sup>     |                     |
| IX. <b>Old Business</b>   |  |       |                         |                     |
| A. WSPI Update  |  |       | McCaffrey/Smith☐        |                     |
| B. Outcrop Development Lease  | 9.b                                    |       | McCoy☐                  |                     |
| X. <b>Board of Directors' Operations</b>                                |  |       |                         |                     |
| XI. <b>President's Report</b>   |  |       |                         |                     |
| A. Updates  |  |       | Chesley                 |                     |
| XII. <b>Dates</b>   |  |       |                         |                     |
| A. Wednesday, February 12, 2020 (5:45 p.m.) Board of Directors' Meeting |  |       |                         |                     |

- Christiansen Boardroom – Boyle Education Center Bldg.
- B. Friday, February 28, 2020-5:30 p.m. COCC Foundation’s TASTE OF THE TOWN
- D. Saturday, February 29, 2020 – COCC Foundation’s MEAL OF THE YEAR
- Location: **Taste of the Town and Meal of the Year** - both events will be held in the Mazama Gymnasium on the COCC Bend Campus

### XIII. Adjourn

\* Material to be distributed at the meeting (as necessary).

\*\* **Times** listed on the agenda are approximate to assist the Chair of the Board.

\*\*\* Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

**P** = indicates a Presentation will be provided. **A** = indicates the presenter is Available for background information if requested.



Central Oregon Community College  
Board of Directors' Meeting  
MINUTES

Wednesday, December 11, 2019  
5:45 p.m.

Christiansen Boardroom, Boyle Education Center  
Bend Campus

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**PRESENT:** Laura Craska Cooper, Erica Skatvold, Bruce Abernethy, Jim Clinton, Joe Krenowicz, Alan Unger, Oliver Tatom, Steve Bryant (Board Attorney), Laurie Chesley (President), Julie Smith (Executive Assistant)

**CALL TO ORDER:** Laura Craska Cooper, Board Chair

**INTRODUCTION OF GUESTS:**

COCC staff: Betsy Julian, Matt McCoy, Alicia Moore, Lisa Bloyer, David Dona, Ron Paradis, Dan Cecchini, Joe Viola, Michael Fisher, Julie Downing, Peter Ostrovsky, Laura Boehme, Sharla Andresen, Aimee Metcalf, Andrew Davis, Annemarie Hamlin, Brian Allison  
Media: Jackson Hogan of The Bulletin

**AGENDA CHANGES:**

Delete Executive Session.

**PUBLIC COMMENT:**

None.

**CONSENT AGENDA:**

***Joe Krenowicz moved to approve the Consent Agenda (Exhibits: 6.a1-6.b3).***

***Bruce Abernethy seconded the motion. Motion carries unanimously. Approved. M12/19:1***

BE IT RESOLVED that the Board of Directors reviewed and approved the Regular Meeting Minutes of November 18, 2019 (Exhibit: 6.a1);

BE IT RESOLVED that the Board of Directors reviewed and approved the November 2019 New Hire Report (Exhibit: 5.b1);

BE IT RESOLVED that the Board of Directors approved the employment contracts for Crystal Cooper as academic advisor and Diane Prater as business systems programmer (Exhibits: 6.b2 and 6.b3).

**INFORMATION ITEMS:**

**Financial Statements – (Exhibit: 7.a)**

The Board was apprised of the November 2019 Financial Statements.

OLD BUSINESS:

General Legal Counsel Service (Exhibit: 8.a)

A formal Request for Proposals was issued for the college's General Legal Counsel Services; the college received three responsive bids. The Proposal Evaluation Team, comprised of three COCC board members and two college administrative staff, met and selected the firm of Bryant Lovlien & Jarvis.

**Alan Unger moved to award the contract for the College's General Legal Counsel Services to Bryant Lovlien & Jarvis. Erica Skatvold seconded.**

Call for the Vote:

6, Yes – Craska Cooper, Skatvold, Abernethy, Krenowicz, Tatom, Unger  
1, No – Clinton

**Motion carries. Approved.** M12/19:2

NEW BUSINESS:

Community College Zone (9.a)

Oregon Law (ORS 341.175) prescribes that community college zones be adjusted as necessary to make the population of each zone as nearly equal as possible.

**Bruce Abernethy moved to approve to keep the COCC Zones as nearly equal in population as possible, the Central Oregon Community College Board of Directors does hereby approve moving Deschutes County Precinct 31 from Zone 3 to Zone 6; and moving Deschutes county Precinct 8 from Zones 4/5 to Zone 7. Oliver Tatom seconded. Motion carries unanimously. Approved.**

M12/19:3

BOARD OF DIRECTORS' OPERATIONS:

|                 |   |
|-----------------|---|
| Oliver Tatom    | Meeting with Peter McCaffery and Matt McCoy re: History of the Campus Village and WSPI-William Smith Properties Inc.                    |
| Alan Unger      | COCC Update to the Redmond City Council - with Matt McCoy<br>RFP meeting for COCC's Legal Counsel                                       |
| Erica Skatvold  | Phone Calls with President Chesley and Board Chair Laura Craska Cooper<br>Agenda Review meeting<br>RFP meeting for COCC's Legal Counsel |
| Joe Krenowicz   | None to report  |
| Jim Clinton     | COCC Foundation community event   |
| Bruce Abernethy | None to report  |

Laura Craska Cooper    RFP meeting for COCC's Legal Counsel  
Phone Calls with President Chesley and Board Vice Chair Erica Skatvold  
Agenda Review meeting  
Lunch meeting with Daisy Layman-COCC Foundation Chair  
Prineville PERK – Chamber of Commerce at the Prineville Campus  
Phone Calls with President Chesley, Bruce Abernethy and Ron Paradis

**PRESIDENT'S REPORT:**

President Chesley –

- Thanked Dan Cecchini and COCC's IT staff for their good work installing the new IT system in the boardroom;
- Introduced the college's new "Chief Advancement Officer" - Zak Boone;
- Reported that Matt McCoy, vice president for administration, will be taking on more responsibilities at COCC's branch campuses and with COCC's legislative outreach;
- Announced that Ron Paradis, executive director of college relations, will be retiring the end of June 2020.

Support for Students Beyond the Classroom

Jenni Newby, instructional dean, Andrew Davis, director of student life, and Zak Boone, chief advancement officer, reported on the ways COCC supports students beyond the classroom.

- STEP (SNPA Training and Employment Program);
- SNAP (Supplemental Nutrition Assistance Program);
- PTO (Pathways to Opportunity) programs;
- ASCOCC (Associated Students of COCC) food bank;
- COCC Foundation student emergency funds.

ADJOURN 8:10 p.m.

APPROVED;

ATTEST TO;

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Ms. Laura Craska Cooper, Board Chair

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Dr. Laurie Chesley, President



**Central Oregon Community College  
Board of Directors**

New Hires Report  
Date of Hire: December 1-31, 2019  
(as of December 17, 2019)

| <b>Name</b>                 | <b>Hire Date</b> | <b>Job Description</b>   | <b>Department</b>          |
|-----------------------------|------------------|--------------------------|----------------------------|
| <b>Classified Part-Time</b> |                  |                          |                            |
| Dickerson, Allison Kate     | 12/2/2019        | Administrative Assistant | General Fund/Foundation    |
| Rudzinski, Erin             | 12/12/2019       | Administrative Assistant | CIS Office                 |
| <b>Temporary Hourly</b>     |                  |                          |                            |
| Covington, Aaron J          | 12/5/2019        | EMT Lab Assistant        | Emergency Medical Services |
| Hoar, Keenan P              | 12/4/2019        | EMT Lab Assistant        | Emergency Medical Services |
| Weddle, Amy Marie           | 12/4/2019        | EMT Lab Assistant        | Emergency Medical Services |



## Central Oregon Community College Board of Directors: Resolution

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|                                 |  |
|---------------------------------|--|
| <b>Subject</b>                  | Approve the contract for <b>Zachary Boone</b> as <b>Chief Advancement Officer/Executive Director Foundation</b>  |
| <b>Student Success</b>          | SS-2: Enhance and promote the resources and tools available to help students efficiently complete their academic goal.   |
| <b>Community Enrichment</b>     | CE-1: Cultivate new and strengthen existing connections/partnerships with educational stakeholders, including PreK-12, universities (higher education), lifelong learners and business and industry. |
| <b>Institutional Efficiency</b> | IE-2: Develop uniform, effective and efficient processes.<br>IE-4: Improve information sharing practices and platforms.  |
| <b>Prepared By</b>              | <b>Laura Boehme, Director of Human Resources</b>   |

### A. Background

The Chief Advancement Officer/Executive Director Foundation position is a new position.

### B. Options/Analysis

- Approve the employment contract for **Zachary Boone**
- Decline approval of the employment contract for **Zachary Boone**

### C. Timing

The **Chief Advancement Officer/Executive Director Foundation** position is a 1.0 FTE, 12-month employment contract each fiscal year. For the 2019-20 fiscal year, the initial employment contract period will be from January 1, 2020 to June 30, 2020. As with all other full-time Administrator employees, a new contract will be prepared for the next academic year that begins on July 1.

### D. Budget Impact

This position is in the 2019-20 budget and conforms to the current approved Administrator salary schedule.

### E. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby approve the employment contract for **Zachary Boone** as **Chief Advancement Officer/Executive Director Foundation**.

Mr. Boone received his Masters of Public Administration at Portland State University, and Bachelor of Arts in International Affairs from Lewis & Clark. Before coming to COCC, he held the positions of Associate Director for Deschutes Land Trust and Executive Director for Ronald McDonald House. Mr. Boone started at COCC as the Executive Director of the Foundation in 2015 and was asked to add this newly created role of Chief Advancement Officer to his existing responsibilities due to his areas of expertise and experience.



## Central Oregon Community College Board of Directors: Resolution

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|                                 |   |
|---------------------------------|---|
| <b>Subject</b>                  | Approve the contract for <b>Galit Miller</b> as <b>Payroll Specialist</b>   |
| <b>Institutional Efficiency</b> | IE-1: Improve practices and systems related to providing supporting and productive workplace.<br>IE-2: Develop effective and efficient policies and procedures that are applied uniformly across the College. |
| <b>Prepared By</b>              | <b>Laura Boehme, Director of Human Resources</b>  |

### A. Background

The Payroll Specialist position is a replacement position.

### B. Options/Analysis

- Approve the employment contract for **Galit Miller**
- Decline approval of the employment contract for **Galit Miller**

### C. Timing

The **Payroll Specialist** position is a 1.0 FTE, 12-month employment contract each fiscal year. For the 2019-20 fiscal year, the initial employment contract period will be from January 6, 2020 to June 30, 2020. As with all other full-time Administrator employees, a new contract will be prepared for the next academic year that begins on July 1.

### D. Budget Impact

This position is in the 2019-20 budget and conforms to the current approved Administrator salary schedule.

### E. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby approve the employment contract for **Galit Miller** as **Payroll Specialist**.

Ms. Miller has a Bachelor's degree in Liberal Studies from San Francisco State University. She has been employed at COCC as an administrative assistant in the Aviation department since 2016. Before that, she was employed as the Director of Admissions for Leading Edge Aviation, Inc.



**Central Oregon Community College  
Board of Directors: Resolution**

**Prepared by:** David Dona, Chief Financial Officer

|                                   |  |
|-----------------------------------|--|
| <b>Subject:</b>                   | Notification of mileage rate and approval of meal per-diem rates.      |
| <b>Strategic Plan Connection:</b> |  |
| Institutional Efficiency          | IE-3: Define, document and practice clear operational decision-making. |

**A. Background**

*Mileage Rate:* The College's general business procedures (B-2-6.1) require the Board be notified of the personal car mileage rate annually. The College follows the approved federal mileage rate established by the Internal Revenue Service (IRS). The IRS's standard mileage rate is based on an annual study of the fixed and variable costs of operating an automobile. The federal mileage rate for 2020 decreased to \$57.5 cents per mile from the 2019 rate of \$58.0 cents per mile

*Meal Per-Diem Rates:* General business procedures (B-2-6.1) require the reimbursement for the cost of employee meals shall be at the rate established by the Board. The College follows the U.S. General Services Administration (GSA) standard rates for Oregon's in-state per-diem rates. The out-of-state meal per-diem rates represent 125% of Oregon's in-state meal per-diem rates. There are no changes to the proposed in-state and out-of-state per-diem rates provided below:

|   | In-State Rates* | Out-of-State Rates** |
|---|-----------------|----------------------|
| Breakfast   | \$13.00         | \$16.00              |
| Lunch   | \$14.00         | \$17.00              |
| Dinner  | \$23.00         | \$29.00              |
| Total   | \$50.00         | \$62.00              |
| * In-State rates reflect the GSA Federal standard rates for Oregon.     |                 |                      |
| ** Out-of-State rates are 125% of GSA Federal in-state rates for Oregon |                 |                      |

**B. Options**

- 1) Approve proposed meal per-diem rates
- 2) Do not approve proposed meal per-diem rates

**C. Timing**

Approval of this resolution will allow the continued use of GSA's standard meal per-diem rates for Oregon in 2020.

**D. Budget Impact**

Costs associated with the mileage rate and meal per-diem rates will be managed within the adopted budget.

**E. Proposed Resolution**

Be it resolved that the Central Oregon Community College Board of Directors hereby approve the proposed meal per-diem rates presented in Section A.



**Central Oregon Community College  
Board of Directors: Resolution**

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|                                   |   |
|-----------------------------------|---|
| <b>Subject</b>                    | <b>Veteran's Dependent/Spouse Tuition Waiver</b>  |
| <b>Strategic Plan Initiatives</b> | Student Success 2: Enhance and promote the resources and tools available to help students efficiently complete their academic goal. |
| <b>Prepared By</b>                | Alicia Moore, Dean of Student and Enrollment Services   |

**A. Background**

Between 2009 and 2012, the Oregon legislature passed several bills geared towards decreasing the higher education cost for veterans and their dependents; each of these were brought to the Board for approval. One of these bills provided a tuition waiver for to the dependent spouse and/or children of all members of the U. S. Armed Forces or U. S. Coast Guard who died while on active duty or died as a result of military service connected to a 100% disability. The legislation included an in-state residency requirement. At the time, COCC interpreted this as in-district. The College has since re-reviewed the legislation and agreed that to be in alignment with the legislation, it is appropriate to modify the policy so that dependent spouses or children must be a resident of the State of Oregon at the time of the tuition waiver.

**B. Options/Analysis**

- 1) Approve the language as proposed.
- 2) Suggest alternative language that aligns with legislation.

**C. Timing**

Staff recommend approving this change now as this will allow us to adjust students for winter quarter (if any).

**D. Budget Impact**

The exact budget impact is challenging to determine as staff have not tracked students who might be eligible under this criteria previously. However, estimates are that this may affect approximately three to five students annually.

**E. Proposed Resolution**

Be it resolved that the Central Oregon Community College Board of Directors approves modifying COCC's Dependent Spouse or Child Tuition Waiver policy to indicate that in-state residency is required at the time of the waiver.

**Central Oregon Community College  
Board of Directors: Resolution**

**Prepared by:** David Dona, Chief Financial Officer  
Lori Benefiel, Auxiliary Services Director  
Andrew Davis, Director of Student and Campus Life

|                                   |   |
|-----------------------------------|---|
| <b>Subject:</b>                   | Approval of 2020-21 Residence Hall Room and Meal Plan Rates.  |
| <b>Strategic Plan Connection:</b> |   |
| Student Success                   | SS-3: Enhance and promote the resources and support services available to help students overcome non-academic challenges. |

**A. Discussion/History**

Each year, student residence hall room and meal plan rates are brought to the Board of Directors for review and approval.

The meal plan rates are intended to provide good comprehensive food options (dining hall, café and market), create sufficient revenue to cover the food service management contract fees, and provide funds to maintain and replace food service equipment and small-wares. Using feedback from students, Sodexo, and food surveys, a new food plan was created (Starter) for year 2019-20 which provides more spending flexibility. We now also allow food plan flex dollar balances to carry forward to the next term within the academic year.

The residence hall room rates are designed to provide a positive living environment, maintain competitive pricing to sustain high occupancy levels, and increase revenue to make positive progress toward self-sufficiency.

The CPI-U West Region's annual change for associated costs include 2.8% increase for All Items, 3.6% increase for Food Away From Home, and 4.7% increase for Rent of Primarily Residence. Using this as the foundation, the College is recommending an increase of 3.0% to both room and meal plan rates. The proposed room and meal plan rate recommendations are presented below.

| <b>Meal Plans (Annual: Fall-Winter-Spring Terms)</b> |                                 |             |              |           |          |
|--|---------------------------------|-------------|--------------|-----------|----------|
| Plan   | Description                     | 2019-20     | 2020-21      | \$ Change | % Change |
| Starter  | 7 Meals/Week + \$500 Flex Cash  | \$ 4,041.00 | \$ 4,164.00  | \$ 123.00 | 3.0%     |
| Basic  | 9 Meals/Week + \$400 Flex Cash  | \$ 4,215.00 | \$ 4,341.00  | \$ 126.00 | 3.0%     |
| Standard   | 14 Meals/Week + \$200 Flex Cash | \$ 4,605.00 | \$ 4,743.00  | \$ 138.00 | 3.0%     |
| Preferred  | 19 Meals/Week + \$100 Flex Cash | \$ 5,001.00 | \$ 5,151.00  | \$ 150.00 | 3.0%     |
| <b>Rooms (Annual: Fall-Winter-Spring Terms)</b>      |                                 |             |              |           |          |
| Type   | Description                     | 2019-20     | 2020-21      | \$ Change | % Change |
| Quad Double  | Double Occupancy                | \$ 6,906.00 | \$ 7,113.00  | \$ 207.00 | 3.0%     |
| Quad Single  | Single Occupancy                | \$ 9,840.00 | \$ 10,134.00 | \$ 294.00 | 3.0%     |

| <b>Annual Combined Double Room and Meal Plan Rates - Double Occupancy</b> |                  |              |              |           |          |
|---|------------------|--------------|--------------|-----------|----------|
| Plan  | Description      | 2019-20      | 2020-21      | \$ Change | % Change |
| Starter   | Double Occupancy | \$ 10,947.00 | \$ 11,277.00 | \$ 330.00 | 3.0%     |
| Basic   | Double Occupancy | \$ 11,121.00 | \$ 11,454.00 | \$ 333.00 | 3.0%     |
| Standard  | Double Occupancy | \$ 11,511.00 | \$ 11,856.00 | \$ 345.00 | 3.0%     |
| Preferred   | Double Occupancy | \$ 11,907.00 | \$ 12,264.00 | \$ 357.00 | 3.0%     |
|   |                  |              |              |           |          |
|   |                  |              |              |           |          |
| <b>Annual Combined Double Room and Meal Plan Rates - Single Occupancy</b> |                  |              |              |           |          |
| Plan  | Description      | 2019-20      | 2020-21      | \$ Change | % Change |
| Starter   | Single Occupancy | \$ 13,881.00 | \$ 14,298.00 | \$ 417.00 | 3.0%     |
| Basic   | Single Occupancy | \$ 14,055.00 | \$ 14,475.00 | \$ 420.00 | 3.0%     |
| Standard  | Single Occupancy | \$ 14,445.00 | \$ 14,877.00 | \$ 432.00 | 3.0%     |
| Preferred   | Single Occupancy | \$ 14,841.00 | \$ 15,285.00 | \$ 444.00 | 3.0%     |

| <b>Rooms (Summer Term)</b> |                  |             |             |           |          |
|----------------------------|------------------|-------------|-------------|-----------|----------|
| Type                       | Description      | 2019-20     | 2020-21     | \$ Change | % Change |
| Quad Double                | Double Occupancy | \$ 1,611.00 | \$ 1,659.00 | \$ 48.00  | 3.0%     |
| Quad Single                | Single Occupancy | \$ 2,416.00 | \$ 2,488.00 | \$ 72.00  | 3.0%     |

Note: Meal plans not available during summer term

#### B. Options

- 1) Approve proposed room and meal plan rates
- 2) Decline the proposed room and meal plan rates
- 3) Offer alternative recommendations for room and meal plan rates

#### C. Timing

Staff request approval at the January Board of Directors' meeting as this allows the College to update residence hall marketing and promotional materials, offer contracts to potential students in line with other Oregon colleges and universities, and respond to prospective students requesting 2020-21 housing information.

#### D. Budget Impact

The increase to room rate of 3% for the academic year will bring in an additional \$63 thousand for residence hall operations and the 3% increase to meal plan rates will bring in an additional \$36 thousand, allowing the College to recover the increases in both food costs and food service management contract fees.

#### E. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby approve the proposed 2020-21 room and meal plan rates as shown in Section A.

Central Oregon Community College  
Monthly Budget Status  
Highlights of November 2019 Financial Statements

**Cash and Investments**

The College's operating cash balances currently total \$40.1 million. The November average yield for the Local Government Investment Pool is down to 2.34 percent from last report of 2.45 percent.

**General Fund Revenues**

The College received \$16.2 million in property tax revenues for the month of November, which represents 91.2% of anticipated collections. Winter term registration started on November 18, resulting in an increase in tuition and fee revenues of \$3.5 million over the prior month. The budgeted transfers-in have been posted for the year.

**General Fund Expenses**

The expenses through November 2019 include the required budgeted inter-fund transfers-out for the fiscal year.

**Budget Compliance**

All general fund appropriation categories are within budget.

**Central Oregon Community College**

**Cash and Investments Report**

**As of November 30, 2019**

| <b>College Portfolio</b>             | <b>Operating<br/>Funds</b> | <b>Trust/Other<br/>Funds</b> |
|--------------------------------------|----------------------------|------------------------------|
| <b>Cash in State Investment Pool</b> |                            |                              |
| 4089 - General operating fund        | \$ 39,270,847              |                              |
| 3624 - Robert Clark Trust            |                            | \$ 388,538                   |
| November Average Yield 2.34%         |                            |                              |
| <b>Cash in USNB</b>                  | \$ 827,211                 |                              |
| <b>Cash on Hand</b>                  | \$ 4,600                   |                              |
| Total Cash                           | <u>\$ 40,102,658</u>       | <u>\$ 388,538</u>            |

**Central Oregon Community College**  
**Monthly Budget Status**  
**November 2019**

**Exhibit 6a**  
08-Jan-20

| <u><b>General Fund</b></u>            | <u><b>Adopted<br/>Budget</b></u> | <u><b>Year to Date<br/>Activity</b></u> | <u><b>Variance<br/>Favorable<br/>(Unfavorable)</b></u> | <u><b>Percent<br/>of Budget<br/>Current Year</b></u> | <u><b>Percent<br/>of Budget<br/>Prior Year</b></u> |
|---------------------------------------|----------------------------------|---|--|--|--|
| <b>Revenues</b>                       |                                  |   |  |  |  |
| District Property Taxes:              |                                  |   |  |  |  |
| Current Taxes                         | \$ 17,814,000                    | \$ 16,254,528                           | \$ (1,559,472)   | 91.2%  | 89.4%  |
| Prior Taxes                           | 447,000                          | 499,621                                 | 52,621   | 111.8%   | 78.6%  |
| Tuition and fees                      | 17,691,000                       | 10,029,590                              | (7,661,410)  | 56.7%  | 51.6%  |
| State Aid                             | 7,510,000                        | 4,372,823                               | (3,137,177)  | 58.2%  | 48.3%  |
| Program and Fee Income                | 72,100                           | 2,776                                   | (69,324)   | 3.9%   | 20.4%  |
| Interest & Misc. Income               | 150,000                          | 27,015                                  | (122,985)  | 18.0%  | 19.8%  |
| Transfers-In                          | 2,160,000                        | 2,160,000                               | -  | 100.0%   | 100.0%   |
| <b>Total Revenues</b>                 | <b>\$ 45,844,100</b>             | <b>\$ 33,346,353</b>                    | <b>\$ (12,497,747)</b>                                 |  |  |
| <b>Expenses by Function</b>           |                                  |   |  |  |  |
| Instruction                           | \$ 21,666,512                    | \$ 6,785,291                            | \$ 14,881,221  | 31.3%  | 30.6%  |
| Academic Support                      | 4,047,303                        | 1,559,823                               | 2,487,480  | 38.5%  | 39.4%  |
| Student Services                      | 5,036,105                        | 1,681,065                               | 3,355,040  | 33.4%  | 34.3%  |
| College Support                       | 5,674,552                        | 2,290,015                               | 3,384,537  | 40.4%  | 39.0%  |
| Plant Operations and Maintenance      | 4,708,626                        | 1,453,555                               | 3,255,071  | 30.9%  | 34.4%  |
| Information Technology                | 4,688,710                        | 1,616,524                               | 3,072,186  | 34.5%  | 37.4%  |
| Financial Aid                         | 112,897                          | 38,162                                  | 74,735   | 33.8%  | 31.4%  |
| Contingency                           | 800,000                          |   | 800,000  | 0.0%   | 0.0%   |
| Transfers-Out                         | 1,766,076                        | 1,746,076                               | 20,000   | 98.9%  | 99.2%  |
| <b>Total Expenses</b>                 | <b>\$ 48,500,781</b>             | <b>\$ 17,170,511</b>                    | <b>\$ 31,330,270</b>                                   |  |  |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (2,656,681)</b>            | <b>\$ 16,175,842</b>                    | <b>\$ 18,832,523</b>                                   |  |  |

**Central Oregon Community College**  
**Monthly Budget Status**  
November 2019

**Exhibit 6a**  
8-Jan-20

|                                       | <u>Adopted<br/>Budget</u> | <u>Year to Date<br/>Activity</u> | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> | <u>Percent<br/>of Budget<br/>Current Year</u> | <u>Percent<br/>of Budget<br/>Prior Year</u> |
|---------------------------------------|---------------------------|----------------------------------|---|---|---|
| <b><u>Non General Funds</u></b>       |                           |                                  |   |   |   |
| <b>Debt Service Fund</b>              |                           |                                  |   |   |   |
| Revenues                              | \$ 5,734,897              | \$ 4,560,060                     | \$ (1,174,837)                                  | 79.5%   | 80.1%                                       |
| Expenses                              | 5,803,480                 | 1,989,653                        | 3,813,827                                       | 34.3%   | 35.2%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (68,583)</b>        | <b>\$ 2,570,407</b>              | <b>\$ 2,638,990</b>                             |   |   |
| <b>Grants and Contracts Fund</b>      |                           |                                  |   |   |   |
| Revenues                              | \$ 3,856,835              | \$ 626,749                       | \$ (3,230,086)                                  | 16.3%   | 19.3%                                       |
| Expenses                              | 3,880,754                 | 983,739                          | 2,897,015                                       | 25.3%   | 28.2%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (23,919)</b>        | <b>\$ (356,990)</b>              | <b>\$ (333,071)</b>                             |   |   |
| <b>Capital Projects Fund</b>          |                           |                                  |   |   |   |
| Revenues                              | \$ 397,942                | \$ 511,528                       | \$ 113,586                                      | 128.5%  | 97.9%                                       |
| Expenses                              | 3,831,265                 | 484,405                          | 3,346,860                                       | 12.6%   | 17.0%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (3,433,323)</b>     | <b>\$ 27,123</b>                 | <b>\$ 3,460,446</b>                             |   |   |
| <b>Enterprise Fund</b>                |                           |                                  |   |   |   |
| Revenues                              | \$ 6,207,853              | \$ 1,888,507                     | \$ (4,319,346)                                  | 30.4%   | 49.9%                                       |
| Expenses                              | 6,801,603                 | 3,022,153                        | 3,779,450                                       | 44.4%   | 49.7%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (593,750)</b>       | <b>\$ (1,133,646)</b>            | <b>\$ (539,896)</b>                             |   |   |
| <b>Auxiliary Fund</b>                 |                           |                                  |   |   |   |
| Revenues                              | \$ 8,160,308              | \$ 4,627,114                     | \$ (3,533,194)                                  | 56.7%   | 57.8%                                       |
| Expenses                              | 10,394,042                | 4,472,911                        | 5,921,131                                       | 43.0%   | 42.4%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (2,233,734)</b>     | <b>\$ 154,203</b>                | <b>\$ 2,387,937</b>                             |   |   |
| <b>Reserve Fund</b>                   |                           |                                  |   |   |   |
| Revenues                              | \$ 22,314                 | \$ -                             | \$ (22,314)                                     | 0.0%  | 0.0%  |
| Expenses                              | 475,000                   | 451,910                          | 23,090  | 95.1%   | 93.1%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (452,686)</b>       | <b>\$ (451,910)</b>              | <b>\$ 776</b>                                   |   |   |
| <b>Financial Aid Fund</b>             |                           |                                  |   |   |   |
| Revenues                              | \$ 13,344,370             | \$ 4,123,980                     | \$ (9,220,390)                                  | 30.9%   | 24.4%                                       |
| Expenses                              | 13,414,975                | 4,484,055                        | 8,930,920                                       | 33.4%   | 25.7%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (70,605)</b>        | <b>\$ (360,075)</b>              | <b>\$ (289,470)</b>                             |   |   |
| <b>Internal Service Fund</b>          |                           |                                  |   |   |   |
| Revenues                              | \$ 214,097                | \$ 63,682                        | \$ (150,415)                                    | 29.7%   | 24.2%                                       |
| Expenses                              | 269,300                   | 106,541                          | 162,759   | 39.6%   | 35.7%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (55,203)</b>        | <b>\$ (42,859)</b>               | <b>\$ 12,344</b>                                |   |   |
| <b>Trust and Agency Fund</b>          |                           |                                  |   |   |   |
| Revenues                              | \$ 10,499                 | \$ 4,127                         | \$ (6,372)                                      | 39.3%   | 100.2%                                      |
| Expenses                              | 12,000                    | -                                | 12,000  | 0.0%  | 33.3%                                       |
| <b>Revenues Over/(Under) Expenses</b> | <b>\$ (1,501)</b>         | <b>\$ 4,127</b>                  | <b>\$ 5,628</b>                                 |   |   |





## Central Oregon Community College Board of Directors: Information Item

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|                                  |   |
|----------------------------------|---|
| <b>Subject</b>                   | 2020 Season of Nonviolence – Summary of Events  |
| <b>Strategic Plan Connection</b> | Student Enrichment 1-3: Promote diversity, inclusiveness and community on all campuses and online.  |
| <b>Prepared By:</b>              | Charlotte Gilbride, Nancy R. Chandler Visiting Scholar Coordinator<br>Alicia Moore, Dean of Student & Enrollment Services<br>Christy Walker, Director of Multicultural Activities |

### INTRODUCTION

Inspired by the work of Mahatma Gandhi, Dr. Martin Luther King, Jr., César Chávez, and Chief Wilma Mankiller, the annual Season for Nonviolence honors these leaders' visions for an empowered, nonviolent world. Colleges and universities throughout the country celebrate the Season of Nonviolence by bringing together community partners to educate and empower communities on how to use non-violent methods to create a more peaceful world.

This year is the 12<sup>th</sup> anniversary of the Season of Nonviolence sponsored by the COCC Office of Diversity and Inclusion, the Nancy R. Chandler Visiting Scholar program and many campus and community partners, including Allyship in Action, The Haven, OSU Cascades, The August Wilson Red Door Project, Oregon Humanities Project, Trinity Episcopal Peace and Social Justice Team, All Peoples United Church of Christ, and Fairfield Inn and Suites by Marriott. The Season of Nonviolence events are below and information will be posted soon to COCC's website.

### Keynote Speakers

**Ericka Huggins** is a human rights activist, poet, educator, and former Black Panther leader who has devoted her life to the equitable treatment of all human beings. She has lectured across the country and internationally on issues relating to the well-being of women, children and youth; restorative justice as the antidote to punitive justice; whole being education; and the role of spiritual practice in sustaining activism and promoting social change. Ms. Huggins will be speaking at the following events:

- ***Spiritual Activism and Social Justice***

**February 12, 6:00 p.m. - 7:30pm, Wille Hall, 201 Coats Campus Center, Bend Campus.**

Ericka Huggins will share her personal experiences of finding life-affirming balance as an activist, and as a mother while on trial for her life. It is this balance that has continued to sustain her every day since. This talk will focus on everyone's capacity to return back to humanity and find inner stability in the face of continual daily challenges, so that we create healthy ways to sustain ourselves.

- ***Creating a Toolkit for Resiliency***  
**February 13, 9:00 a.m. - 10:30 a.m., 201 Wille Hall, Coats Campus Center, Bend Campus**  
Join us for a session with Ericka Huggins to reflect on and discuss the race and gender and identity challenges in school and work environments, and focus on healthy responses to these challenges through relaxing our minds and acknowledging our emotions. This session will be of direct benefit to students, educators, employers and employees as well as any other community members.
- ***Student Meet and Greet with Ericka Huggins***  
**February 13, 12:00 p.m. - 1:00 p.m., Multicultural Center, 217 Coats Campus Center, Bend Campus.**

**Justice Adrienne Nelson** was appointed to the Oregon Supreme Court in January 2018, making her the first African American to sit on the state's highest court. She is a frequent speaker on topics including diversity, inclusion, equity, leadership and professional development. She sits on the American Bar Association Standing Committee on Public Education, is the Oregon delegate to the ABA House of Delegates, chairs the Lewis and Clark Law School Judge Roosevelt Robinson Scholarship Committee and is vice-president of the Owen M. Panner American Inn of Court. Justice Nelson will speak at the following events:

- ***Looking Beyond Our Differences: Seeing the Humanity in Each of Us***  
**March 3, 6:00 p.m., Wille Hall, 201 Coats Campus Center, COCC Bend Campus**  
**March 4, 9:00 a.m., RTEC 209, COCC Redmond Campus**  
Justice Adrienne Nelson will talk about how her life experiences -- from being the first person of color at her Arkansas high school to be named valedictorian to serving as the first African American on the Oregon Supreme Court -- have informed her focus on leadership, diversity, inclusion, mentoring, community service and the legal profession. She works daily to "make this world a little bit better." Justice Nelson will also give us global perspectives and believes if we each connect to our humanity; it opens us up to many more possibilities.

### Community Reads Series

COCC and other community organizations are hosting book conversations on Ijeoma Oluo's New York Times Best-Seller *So you Want to Talk About Race?* Oluo guides readers through various topics in an attempt to invite people from all identities to engage in conversations about racism, discrimination, intersectionality, and more. Her honest and constructive approach facilitates difficult conversations through engagement and dialog. Locations, dates, times and contact information are:

COCC Madras Campus – Community Room

Mondays beginning January 27, 12:00 – 1:00 pm

Facilitated by Michelle Cary, [mcary@cocc.edu](mailto:mcary@cocc.edu), and Stef Brewer, [sbrewer3@cocc.edu](mailto:sbrewer3@cocc.edu)

COCC Bend Campus – Barber Library, South Oregon Room

Thursdays beginning January 16, 12:00 – 1:00 pm

Facilitated by Cat Finney, [cfinney@cocc.edu](mailto:cfinney@cocc.edu), Kirsten Hostetler [khostetler@cocc.edu](mailto:khostetler@cocc.edu), and Tamara Marnell, [tmarnell@cocc.edu](mailto:tmarnell@cocc.edu)

COCC Redmond Campus – Building 3, Multicultural Center (Room 303)

Wednesdays beginning January 29, 12:00 – 1:00 pm  
Facilitated by Evelia Sandoval, [esandoval@cocc.edu](mailto:esandoval@cocc.edu)

COCC Prineville Campus – Conference Room  
Wednesdays beginning January 22, 11:30 am – 12:30 pm  
Facilitated by Keri Podell, [kpodell@cocc.edu](mailto:kpodell@cocc.edu)

OSU Cascades, location and dates TBD  
Facilitated by Erin Rook, [erin.rook@osucascades.edu](mailto:erin.rook@osucascades.edu)

Trinity Episcopal Church, Brooks Room  
Wednesday, beginning January 22, 2:30 – 4:00 pm  
Facilitated by Betsy Warriner, [betsy@betsywarriner.com](mailto:betsy@betsywarriner.com)

The Haven and Allyship in Action, The Haven Workspace (1001 SW Disk Drive, Bend) - Library  
Mondays, beginning January 31, 12:00 – 1:00 pm  
Facilitated by Kerani Mitchell, [kerani@allyshipinaction.com](mailto:kerani@allyshipinaction.com)

All Peoples United Church of Christ – Redmond Library  
Fridays beginning January 24, 9:30 am – 11:00 am  
Facilitated by Nancy Cook, [ncook963@gmail.com](mailto:ncook963@gmail.com)

Other community reads series may follow; please visit [cocc.edu/departments/multicultural/](http://cocc.edu/departments/multicultural/) for potential additional opportunities.

### **The August Wilson Red Door Project and the COCC Afrocentric Studies Club**

#### ***Evolve***

#### **March 13 and 14, 7:00 p.m., Tower Theater**

*Evolve* is a new performance experience that explores the relationship between law enforcement and communities of color. Combining monologues from *The New Black Fest's Hands Up: 7 Playwrights, 7 Testaments*, a show written by African American men and women about their experience with racial profiling, and *Cop Out: Beyond Black, White & Blue*, based on interviews with police officers, *Evolve* seeks to stimulate conversation in a new way and help us to bridge a seemingly intractable divide.

### **Oregon Humanities Presents Conversation Projects**

#### ***Oregon Humanities Community Conversation Projects* (dates and times to be announced)**

The Conversation Project brings people together to talk about their beliefs and experiences around timely and important issues and ideas. Oregon Humanities collaborates with community organizations, small and large nonprofits, universities, community colleges, government agencies, corporations, and others around the state to host Conversation Project programs. The conversation Project is hosting the following events, with dates and times to be announced (visit [cocc.edu/departments/multicultural/](http://cocc.edu/departments/multicultural/) for details)

- COCC Redmond Campus, “Can We Get Along? Examining Our Personal Experiences of Connection and Community”
- COCC Madras Campus, “Sentenced for a Season, Punished for Life: How Long Should People Pay for Past Crimes?”
- COCC Prineville Campus, details to be announced



## Central Oregon Community College Board of Directors: Information Item

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|                                   |   |
|-----------------------------------|---|
| <b>Subject</b>                    | 2020 Oregon Legislature Preview   |
| <b>Strategic Plan Initiatives</b> | SS-1: Enhance development of course and program offerings and delivery methods. |
| <b>Prepared By</b>                | Matt McCoy, Vice President for Administration                                   |

### A. Background

The Oregon Legislature meets for a short legislative session in February or 2020. With regard to issues of interest to the College, two are of particular note.

Through the work of the Oregon Community College Association, community colleges seek \$65 million in one-time funding to update equipment for Career and Technical Education programs (CTE). Although community colleges received \$641 million in 2019 to help colleges maintain current service levels, colleges seek further investment in CTE programs to update equipment and keep up with changing technology.

A second item we are following is the COCC boundary change affecting north Lake County. In December 2019 the Higher Education Coordination Commission approved moving ahead with shifting the portion of north Lake County currently in COCC's District to the Klamath Community College District. The next step in the process is approval by the Oregon Legislature.

### B. Budget Impact

If the CTE budget request is funded at \$65 million, an estimated \$1.5 million could be available to COCC for CTE equipment and technology investment.

The boundary change is expected to have minimal budget impact.



**CENTRAL OREGON**  
community college

Exhibit: 8e  
January 8, 2020

FISCAL SERVICES  
Telephone 541.383.7220  
Fax 541.383.7505

January 8, 2020

To: Dr. Laurie Chesley

Re: Financial Certification

We have reviewed the annual audit report of Central Oregon Community College for the year ended June 30, 2019. Based on our knowledge, the information contained in the annual report does not contain any untrue statement of a material fact or omission of a necessary material fact that makes the statements misleading. Based upon our knowledge, the financial statements present, in all material respects, the financial condition, and results of operations of Central Oregon Community College for the period presented.

A handwritten signature in blue ink, appearing to read "David L. Dona".

David L. Dona  
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Lisa M. Bloyer".

Lisa M. Bloyer  
Director of Fiscal Services



## Central Oregon Community College Board of Directors: Resolution

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|                                   |   |
|-----------------------------------|---|
| <b>Subject</b>                    | Outcrop Development Land Lease  |
| <b>Strategic Plan Initiatives</b> | <b>Student Success</b><br>Provide resources and support to facilitate increased student persistence and educational goal achievement. |
| <b>Prepared By</b>                | Matt McCoy, Vice President for Administration   |

### A. Background

College staff was asked by the Board to identify ways in which College property located at the southwest portion of the Bend Campus could generate income for the College while the College maintains ownership of the property. The College contracted with William Smith Properties Inc. (WSPI) for WSPI to serve as the master developer of a total of 55 acres located at the corners of Mt. Washington Drive and Shevlin Park Road in Bend, Oregon.

A 12-acre parcel of the acreage is zoned single family residential. WSPI has worked with homebuilder Curtis Homes to prepare for construction on the 12 acre Outcrop Subdivision. Curtis Homes is poised to begin building a model home for the initial 16-lot development. Attached here for Board consideration of approval is a land Lease Agreement prepared by WSPI legal counsel, reviewed to by College legal counsel and agreed to by Curtis Homes.

Sections of note in the agreement include Section 2.1 regarding the term of the lease agreement. The term of the lease is 70 years. Financial institutions identified this term length as a requirement for financing homes purchased on leased land. Section 3.1 concerning rent. Rent for each lot is based on the real market value of the leased land, and is adjusted every 5 years (3.1.1).

When homes are sold WSPI will administer the lease agreements on behalf of the College.

### B. Options/Analysis

- Approve the land Lease Agreement
- Do not approve the land Lease Agreement

### C. Timing

Approval of the Lease Agreement will allow development of the model home to progress in a timely manner with a targeted groundbreaking.

**D. Budget Impact**

Approval of the Lease Agreement will enable the College to lease property for homes in the 16-lot Outcrop Subdivision anticipated to generate annual lease payments in excess of \$100,000 per year when fully developed and once shared development costs are reimbursed to the College and WSPI.

**E. Proposed Resolution**

Be it resolved that the Central Oregon Community College Board of Directors approve the land Lease Agreement for use in the Outcrop Subdivision home development.



## LEASE AGREEMENT

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_ (this "Agreement") by and between \_\_\_\_\_, hereinafter called "Landlord", and \_\_\_\_\_ hereinafter called "Tenant."

### WITNESSETH:

WHEREAS, Landlord desires to Lease certain premises to Tenant, and Tenant desires to Lease from Landlord said premises;

WHEREAS, pursuant to a Developer Services Agreement between William Smith Properties, Inc. and Curtis Homes, LLC (the "Builder") dated as of \_\_\_\_\_ (the "DSA"), Builder will construct certain Improvements (as defined in Section 7.1 below) on the premises subject to this Agreement, and upon completion of such Improvements will assign this Agreement to the purchaser of the Improvements.

WHEREAS, College Land Development Company I, LLC, an Oregon limited liability company ("Landlord's Agent") is acting as Landlord's agent for purposes of administration of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, terms, agreements, privileges and obligations hereinafter contained, it is hereby agreed by and between the parties hereto as follows:

#### SECTION 1. LEASED PREMISES

Landlord agrees to and hereby does Lease to the Tenant for the exclusive use of the Tenant Lot \_\_, S.W. Corner Houses, recorded at 2019-\_\_\_\_\_, Deschutes County, Oregon (the "Premises"), subject to all easements of record and to the following conditions.

#### SECTION 2. TERM

2.1. Term. The term of this Lease shall be for a period of Seventy (70) years from \_\_\_\_\_ (the "Commencement Date"), until \_\_\_\_\_ (the "Term"). Upon the initial assignment of this Agreement to the initial purchaser of the Improvements under Section 9.1, the Commencement Date shall be automatically amended to be January 1 of the year the certificate of occupancy is issued for the Improvements.

#### 2.2. Right of First Offer.

2.2.1. During the Term Landlord grants to Tenant, and Tenant hereby accepts from Landlord, a right of first offer to lease the Premises beyond the Term upon and subject to the terms and conditions contained in this Agreement (the "Right of First Offer").

2.2.2. Subject to Landlord's right under Section 2.2.3 below, so long as Tenant is not then in default under this Agreement, the Tenant shall have the right of first offer to lease the Premises beyond the Term upon the terms and conditions set forth in this Section 2.2.2. Tenant shall be required

to notify the Landlord of its decision to exercise the aforementioned right in writing at least one hundred and eighty (180) days, but no more than one (1) year prior to the expiration of the Term (the "Renewal Notice"). Within thirty (30) days of receipt of the Renewal Notice, the Landlord shall deliver to Tenant a notice informing Tenant whether Landlord is willing to extend the Term of this Agreement and, if so, the terms and conditions upon which Landlord is willing to extend the Term (the "Availability Notice"). If Tenant does not agree to extend the Term pursuant to the terms and conditions set forth in the Availability Notice, or if Landlord and Tenant are otherwise unable to agree to alternative terms and conditions for lease of the Premises beyond the Term prior to the end of the Term, then Landlord shall be free to lease the Premises to any party and Tenant's Right of First Offer shall terminate and this Agreement shall terminate upon the expiration of the Term.

2.2.3. Notwithstanding anything to the contrary in this Section 2.2, upon the expiration of the Term, and regardless of whether Tenant has provided a Renewal Notice, Landlord reserves the right to lease the Premises to any COCC staff, COCC professors or other COCC employees.

### SECTION 3. RENTAL

3.1. Rent. The rent due hereunder shall be absolutely net to Landlord and shall be paid without assertion of any counterclaim, offset, deduction or defense and without abatement, suspension, deferment or reduction. All payments of Rent shall be payable to Landlord's Agent pursuant to the notice provisions of Section 16.3 of this Agreement. Landlord shall not be expected or required under any circumstances or conditions whatsoever, whether now existing or hereafter arising, and whether now known or unknown to the parties, to make any payment of any kind whatsoever with respect to the Premises or be under any obligation or liability hereunder during the Term, except if and solely to the extent expressly so provided elsewhere in this Agreement. Until the Rent Commencement Date, the lease fee for the Premises subject to this Lease shall be \$0.00. Beginning on the earlier of the first anniversary of the Commencement Date or the date of occupancy (the "Rent Commencement Date"), the lease fee for the Premises shall be \$\_\_\_\_\_ monthly (the "Rent"), subject to the adjustments set forth in this Section 3. For purposes of this Section 3.1, the term "occupancy" shall mean the date that the improvements constructed on the Premises have received final inspection and may lawfully be occupied for residential use. Monthly Rent shall be prepaid in advance on the Rent Commencement Date, prorated for any partial year based on a 365-day year. Thereafter, each monthly payment of Rent is due in advance on the 1st day of each month, becoming delinquent if unpaid by the 10th day of the month. If not paid by the 10th day of the month, a late fee of five percent (5%) of the monthly amount or \$150, whichever is greater, shall be assessed and be paid as part of the monthly Rent. Delinquent payments shall bear interest at the rate of ten percent (10%) per annum and shall be due and payable without demand. The Rent payment shall be payable without any right of offset.

3.1.1. Rent Adjustment. The Rent shall be adjusted after the first five (5) full years of the Term and every five (5) years thereafter during the Term (the "Adjustment Period"). During each Adjustment Period, the Rent shall be adjusted up or down based on the percentage change in the real market value of the land (excluding structures) over the prior five (5) years of the Term as identified by the Deschutes County Assessor's Office within the geographic area depicted on Exhibit A (the "Rent Adjustment Area"). The real market value of the land shall be based on the value of the land within the Rent Adjustment Area on January 1 of each year during the Adjustment Period and shall not be subject to any reevaluation pursuant to any valuation appeal, challenge or other adjustment. By way of illustration

and not limitation, if the Commencement Date was February 1, 2019 and if the real market value of the land within the Rent Adjustment Area on January 1, 2019 was \$4,000,000 and the real market value of the land within the Rent Adjustment Area on January 1, 2024 was \$4,600,000, the resulting percentage increase would be 15% and Rent would be adjusted positively on February 1, 2024 by 15%.

3.1.2. Additional Rent. All amounts required to be paid by the Tenant to the Landlord under the terms of this Lease shall be deemed additional rent including but not limited to delinquency charges, late fees, and taxes and assessments.

3.1.3. Changes in Law. Landlord and Tenant acknowledge that the Rent adjustment provisions in Section 3.1.1 are intended to reflect an equitable rental adjustment based on the increase or decrease in the real market value of the underlying land and is based on assessment standards applicable to real market valuation and assessment as of the effective date of this Agreement. If Oregon law is changed in a manner in which materially alters how the real market value of the land is appraised, valued and assessed and such change materially affects the real market value of the underlying land to such an extent that the Rent adjustment provisions of Section 3.1.1 are no longer equitable to either Landlord or Tenant, then Landlord and Tenant shall agree on new Rent adjustment provisions pursuant to the mediation and arbitration provisions of Section 16.8 of this Agreement. By way of illustration and not limitation, if Oregon law is amended to impose a strict cap on real market value increases and such a cap or other limitation materially depresses increases to the real market value of the land, then the Landlord could seek mediation or arbitration under Section 16.8 of this Agreement.

#### SECTION 4. OBLIGATIONS OF TENANT

The Tenant shall have the following obligation:

4.1. Use of the Premises. The Premises shall be used for the construction, maintenance and occupancy of a single-family residence, and if so equipped, an auxiliary dwelling unit and for no other purpose without the consent of Landlord, which consent shall not be unreasonably withheld. Tenant agrees to use the Premises in conformance with all present and future applicable laws and regulations of any public authority affecting the Premises and use of the Premises. Tenant further agrees to comply with all terms and conditions of the recorded Covenants, Conditions and Restrictions for S.W. Corner Houses, recorded at \_\_\_\_\_ - \_\_\_\_\_, Deschutes County, Oregon (the "CC&Rs"), as such CC&Rs may be amended pursuant to their terms.

4.2. Site and Design.

4.2.1. Buildings. All improvements including, but not limited to, buildings, sidewalks and parking areas shall be constructed to conform to all applicable rules and regulations of City of Bend and the State of Oregon and the requirements of the Architectural Review Committee (the "ARC") established under the CC&Rs. Prior to any construction of any building, all building plans and site plans must be approved by the ARC, or if the ARC has not yet been established, by the Landlord.

4.3. Repairs and Maintenance. Tenant shall keep and maintain the Premises and all improvements of any kind located on the Premises in good and substantial repair and condition, including the exterior condition thereof (including but not limited to the roof, foundation and exterior walls and

windows), and all landscaping and shall make all necessary repairs and alterations thereto. Tenant shall provide proper containers for trash and garbage and shall keep the Premises free and clear of rubbish, debris and litter at all times. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or the Improvements, and Tenant hereby expressly waives any right to terminate this Agreement and any right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

4.4. Taxes, Assessments. Beginning on the Commencement Date Tenant agrees to pay timely any taxes imposed on the real property including the Premises and any improved areas (e.g., parking, landscaping) associated with the Premises subject to this agreement and the improvements thereon or on Tenant's personal property located on the Premises, assessments (including Local Improvement District assessments), water, sewer or other utility charges on the Premises as they become due provided the Tenant may in good faith contest any such liability filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

4.5. Liability Insurance. Tenant shall maintain in full force and effect during the term of this Lease an occurrence form commercial general liability policy or policies insuring against liability for personal injury, bodily death and damaged property occurring on or in any way related to the Premises for occasion or by reason of the operation of Tenant or Tenant's subtenants. Such insurance shall include all coverages included in the standard and commercial general liability policy including but not limited to broad form property damage, independent contractors, products completed operations and broad form contractual liability. The amount of the coverage shall not be less than \$1 million per occurrence. Such insurance shall name the Landlord as additional named insured with a certificate providing thirty (30) days' notice to Landlord prior to cancellation. Tenant shall furnish to the Landlord a certificate evidencing the date, amount and type of insurance that has been procured pursuant to the agreement. If a sublessee provides proof of insurance sufficient under this section naming the Landlord as an additional named insured such proof shall satisfy.

4.6. Primary Coverage. The required insurance policies under this Section 4 shall provide that the coverage is primary and will not require any contribution from any insurance or self-insurance carried by the Landlord.

4.7. Additional Company Rating. Policies of insurance must be written by companies having AM best rating of A- or better equivalent.

4.8. Periodic Review. Landlord shall have the right to periodically review the type, limits and terms of insurance coverage. In the event the Landlord determines that such type, limits and/or terms should be changed, the Landlord shall give Tenant a minimum of thirty days (30) calendar days of such determination and Tenant shall modify its coverage to comply with the new insurance requirements of the Landlord. Tenant shall also provide support by proof of such compliance by giving the Landlord an updated certificate of insurance within fifteen (15) calendar days.

4.9. Indemnity. Tenant fully agrees to indemnify, save harmless and defend the Landlord, its Board of Directors and the Central Oregon Community College officers and employees from, against, for or with respect to all claims and actions and all expenses and fees, (including but not limited to

attorney, accountant, paralegal, expert and escrow fees), fines and costs and penalties collectively "costs" which may be imposed upon or claimed against the Landlord and which in whole or in part directly or indirectly arise from or are in any way connected with (a) any act, omission or negligence of Tenant; (b) any use, occupation, management control with the Premises by Tenant; (c) any condition created in or about the Premises by any party other than the Landlord, including any accident, injury or damage occurring on or about the Premises after execution of this Lease; and (d) any default, violation or nonperformance of any of Tenant's obligations under this Lease. For purposes of this section, Tenant shall include Tenant, Tenant's partners, officers, directors, employees, invitees, customers, agents and contractors.

4.10. Survival Indemnities. Indemnity provisions set forth herein shall survive the expiration or earlier termination of this lease and shall be fully enforced thereafter.

4.11. Hazardous Substance. Tenant shall comply with the Hazardous Materials provisions of the CC&R's, and as amended from time to time thereafter by Landlord. No hazardous substance shall be used, treated, kept, stored, transported, handled, sold or released at, on, under or from the Premises during the Term. The term "hazardous substance" "Hazardous Substances" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local, state, or federal governmental authority, including without limitation, any hazardous material, hazardous substance, ultra-hazardous material, toxic waste, toxic substance, pollutant, radioactive material, petroleum product, and PCB, as those and similar terms are commonly used or defined by all present or future federal, state, and local laws or regulations related to the protection of health or the environment. Notwithstanding the foregoing, (a) Tenant and Tenant's agents and any sublessor may use small quantities of standard janitorial, lawn care and office products, and also such products as are incorporated into the functioning of building systems (e.g. HVAC units) which are necessary to the general office use permitted at the Premises, and then only in compliance with all applicable laws.

## SECTION 5. RIGHTS OF LANDLORD

Landlord shall have the right during the Lease term to pay any taxes, assessments, liens, water, sewer or other charges on Premises and reversionary interest therein remaining unpaid after the same have become due and payable; and the amount paid shall be so much additional Rent due from Tenant at the next rent day after such payment with interest thereon at the rate of 10% per annum from the date of payment thereof by Landlord, until the repayment thereof to Landlord by Tenant.

If the Landlord, at its option, shall advance or pay any such taxes, insurance, assessments, water, sewer or other charges, or pay, cancel and clear off any tax sales, liens or charges and claims on and against the Premises or the reversionary interest therein, it shall not be obligatory on Landlord to inquire into the validity of such taxes, assessments, water, sewer, or other charge, or any such tax sale. Provided, however, that if Tenant shall be actively prosecuting its administrative or legal remedies in protest of any tax, assessment, water, sewer, or other charges, Landlord shall not have the right to pay or advance sums referable thereto until such remedies shall have been exhausted.

## SECTION 6. RIGHT TO ENTER AND INSPECT

The Landlord and its authorized employees, agents, contractors, subcontractors and other representatives shall have the right at all reasonable times during the continuance of this Lease, with at least 48-hour notice, to enter upon the Premises to inspect and ascertain the conditions of the same or for any other purpose whatsoever.

## SECTION 7. IMPROVEMENTS, ALTERATIONS

7.1. Improvements. "Improvements" shall mean all improvements on the Premises to be constructed under the terms of this Lease as such term is defined in the Design Guidelines in the CC&Rs, and includes any replacements, reconstruction or restorations thereof during the term of this Lease.

7.2. Compliance with Laws. Tenant shall construct the Improvements in accordance with the applicable laws of all governmental authorities having jurisdiction over the Premises and in accordance with the requirements of the ARC, or if the ARC has not yet been established, any requirements of the Landlord. Upon request of Landlord, Tenant shall furnish Landlord with copies of all certificates and approvals resulting in any work or installation done by Tenant that may be required by any governmental authority or by all applicable underwriters and insurers or by any lender in connection with the construction of the improvements, which copies Tenant shall certify as true, correct and complete. Tenant shall furnish Landlord with a set of "as built" drawings and specifications for all construction and subsequent improvements which accurately reflect the nature and extent of the improvements.

7.3. Encumbrance of Estate. Except as provided in the Lease Rider attached to this Lease, Landlord shall not be required to subordinate or subject its fee or leasehold interest in the Premises to the lien of any person or entity providing financing to Tenant in connection with the design or construction of the improvements or the maintenance and operation thereof. All such financing shall be the sole responsibility of Tenant; provided, however, Landlord agrees to enter into a Leasehold Mortgage Protection provision as provided in Section 10 below.

7.4. Cooperation. Each party hereby covenants and agrees to cooperate and assist the other party from and after the date of this Lease and throughout the term of this Lease in obtaining all approvals and permits that are necessary or desirable in order to develop and construct the improvements and any other permitted alterations, including, without limitation, joining in applications, filings and submittals for use, building, grading, and construction permits, and participation in and support of the other party's position in hearings, proceedings and meetings relating to any such permits and other governmental application, submittals or approvals; provided, however, that the party that is not performing such construction shall not be obligated to incur any expenses or liabilities in cooperating with the other party's permitted construction activities.

7.5. Permitted Alterations. Tenant shall make no alterations and additions to the improvements ("Alterations") other than those to which the ARC shall have given prior written approval.

7.6. Submittals. Before Tenant shall commence any alterations, Tenant shall submit to the ARC a schematic design package for such alteration for review and approval pursuant to the construction

requirements. Tenant shall also provide to Landlord, prior to commencement of any alterations, and at Tenant's sole cost, any and all permits and authorizations of all municipal departments and governmental agencies as may have jurisdiction over the alteration.

7.7. Ownership of Improvements. Except as hereinafter provided, Tenant shall be the owner of all Improvements, and all furnishings, fixtures and personal property of Tenant located thereon. Tenant shall retain all rights to depreciation deductions and tax credits arising from its ownership of said property. Upon expiration or earlier termination of this Lease, all such Improvements and property shall, except as provided in Section 15.6, automatically vest in, revert to, and become the property of Landlord without compensation to, or requirement of consent or other act of, Tenant, and without the necessity of deed, bill of sale, conveyance or other act or agreement of Tenant, and without any payment of any kind or nature by Landlord to Tenant or to any other person, including any Lender who has a lien against all or any portion of Tenant's Interest. Tenant shall thereafter have no further rights thereto or interest therein.

## SECTION 8. EMINENT DOMAIN

8.1. Partial Taking. If a portion of the Premises is condemned and Section 8.2 does not apply, the Lease shall continue on the following terms:

8.1.1. Tenant shall be entitled to all of the proceeds of condemnation relating to the Improvements and Landlord shall have no claim against Tenant as a result of the condemnation. Landlord shall be entitled to all of the proceeds of condemnation relating to the land and Tenant shall have no claim against Landlord as a result of the condemnation.

8.1.2. Tenant shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

8.1.3. After the date on which title vests in the condemning authority or an earlier date on which alterations or repairs are commenced by Tenant to restore the balance of the Premises in anticipation of taking, the Rent shall be reduced in proportion to the reduction in value of the Premises as an economic unit on account of the partial taking. If the parties are unable to agree on the amount of the reduction of Rent, the amount shall be determined by arbitration in the manner provided in Section 15.7.

8.1.4. If a portion of Landlord's property not included in the Premises is taken, and severance damages are awarded on account of the Premises, or an award is made for detriment to the Premises as a result of activity by a public body not involving a physical taking of any portion of the Premises, this shall be regarded as a partial condemnation to which Sections 8.1.1 and 8.1.3 apply, and the Rent shall be reduced to the extent of reduction in rental value of the Premises as though a portion had been physically taken.

8.2. Total Taking. If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for the use that Tenant was then making of the Premises, the Lease shall terminate as of the date the title vests in the condemning authorities. Landlord

shall be entitled to all proceeds from the value of the land. Tenant shall be entitled to all proceeds from the value of the Improvements. Tenant shall have no claim against Landlord as a result of the condemnation.

8.3. Sale in Lieu of Condemnation. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 8 as a taking by condemnation.

## SECTION 9. ASSIGNMENT AND SUBLETTING

9.1. Assignment. Subject to Section 9.2, this Lease may be freely assigned or subleased by Tenant without the need for Landlord's consent to any party who purchases the Improvements. Any assignee or sublessee shall assume, in written instrument acceptable to Landlord, all of the obligations of Tenant hereunder. Assignment of this Agreement to any party other than a party purchasing all of the Improvements located on the Premises shall require the prior written approval of the Landlord, which consent shall be at the Landlord's sole discretion.

9.2. Estoppels Certificate. Within fifteen (15) days after written request from a party to this Lease, the other party must execute, acknowledge, and deliver to the requesting party an estoppels certificate certifying: (1) that this Lease is unmodified and in full force and effect (or, if there has been a modification, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification); (2) the date to which Rent and other sums payable under this Lease have been paid; (3) that no notice has been received by the other party of any default that has not been cured, except as to any default specified in the certificate; and (4) any other matters as may be reasonably requested by the other party, its lender, assignee, or purchaser (or proposed lender, assignee, or purchaser). Any such estoppels certificate may be relied on by the purchaser, lender, or assignee for estoppels purposes only and no party executing the estoppels certificate will be liable for damages or other losses as a result of inaccuracy in the information contained in the certificate.

## SECTION 10. LEASEHOLD MORTGAGE PROTECTION

It is recognized that Tenant may, from time to time, encumber this Lease for financing purposes. This Lease, therefore, is subject to the following provisions and the Lease Rider attached to this Lease:

10.1. The Tenant is to furnish the Landlord an executed counterpart of any such mortgage.

10.2. Any notice, demand, other document of any kind whatever served by Landlord upon Tenant including, but not limited to notice of default under the Lease, shall also be served on the lender, but Landlord shall not be required to serve an assignee of the Lender unless and until a copy of the assignment is served upon the Landlord.

10.3. Whenever ownership of the mortgage passes into the hands of more than one party, all such owners must furnish the Landlord a written designation of the party to be served on behalf of all such owners.



10.4. The lender shall have the right to cure Tenant's defaults and perform all Tenant's covenants.

10.5. As to any default or breach of covenant that can be cured by lender without taking possession of the Premises, the lender shall have sixty (60) days to cure such default or breaches after Landlord has given the lender notice of intention to terminate the Lease or dispossess Tenant.

10.6. As to any default or breach that can only be cured by taking possession, the Landlord may require the lender to furnish a reasonable guarantee of its performance under the Lease of all Tenant's obligations, including the care of all defaults and breaches, and that lender will proceed with reasonable diligence to take possession of the Premises and either foreclose the mortgage or acquire the leasehold by assignment in lieu of foreclosure.

10.7. Any acquisition of the leasehold by the lender may be taken in the name of a nominee.

10.8. The Landlord will not terminate the Lease as long as lender performs promptly all of its covenants in the guarantee.

10.9. In case of termination of the Lease for default or breach of covenant by Tenant, the lender may serve notice on Landlord of its desire to enter into a new lease for the balance of the Term at the same rentals and with the same covenants contained in the Lease, said notice to be served on the Landlord thirty (30) days prior to termination by the Landlord, which notice shall be accompanied by a payment of all arrears of Rent and a reasonable sum to compensate the Landlord for expenses, including reasonable attorney fees, and establishing the new relationship and a guarantee satisfactory to Landlord that lender will cure all Tenant's defaults and breaches other than arrears Rent. The new lease will commence as of the termination of the old one, but shall be prior and superior to all rights, liens and encumbrances that would have been extinguished by foreclosure to lender if the lender so demands. A statement of this obligation shall be included in all subleases.

In addition to the above, Landlord will join in executing any and all instruments which legal counsel for any lender on the security of Tenant's leasehold estate may reasonably require in order to accomplish the same, provided that nothing herein shall be construed as obligation Landlord to incur any personal liability for repayment of any such loan, nor as subordination the Landlord's rights and reversionary interest in and to the demised property to any such encumbrance.

## SECTION 11. LIENS

11.1. Payment of Liens. Tenant shall exercise commercially reasonable efforts to keep the Premises and the Improvements free and clear from all liens. In the event that Tenant or Landlord receives actual notice of any lien, the party receiving such notice shall give the other party prompt notice of the same. Landlord shall not be liable for any work, labor or materials furnished or to be furnished upon credit to or for Tenant or anyone claiming under the Tenant, and no mechanic's or other liens shall attach to or affect the estate or interest of Landlord in and to the Premises. Tenant shall cause to be promptly discharged any mechanic's or other lien filed against the Premises by reason of any act or omission of Tenant. It is understood and agreed that Tenant shall have the right to contest any lien filed against the Premises. If any mechanic's or other lien shall be filed at any time against the Premises or any part thereof,

Tenant shall cause the same to be discharged of record or at Tenant's option, bonded over or insured against by a title insurance company reasonably acceptable to Landlord within sixty (60) days after notice of the filing thereof by payment, deposit, bond, or order of a court of competent jurisdiction. Tenant shall have the right to contest, in good faith, any such mechanic's lien, as long as the mechanic's lien or any enforcement action related thereto is contested by Tenant, the proceeding has not progressed to the point where Landlord's interest in the Premises is in jeopardy and Tenant has posted a bond or other collateral sufficient to cause a title company to insure over said mechanic's lien. If Tenant shall fail to discharge, seek to discharge or contest any such lien affecting the Premises or any part thereof, within said sixty (60) day period, then Landlord shall have the right, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien by depositing in court a bond for the amount claimed, or by giving security in such other manner as is permitted by law. Tenant shall promptly reimburse Landlord, from and against all reasonable out-of-pocket costs and expense incurred by Landlord pursuant to this paragraph. Any amounts so incurred by Landlord shall be deemed additional rent and shall be immediately due and payable. Any amount so added shall bear interest at the rate of ten percent (10%) per annum from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

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

## SECTION 12. QUIET ENJOYMENT

Landlord warrants that it is the owner of the Premises and has the right to lease them free of all encumbrances except those set forth on the attached Schedule \_\_ entitled "Exceptions to Title". Subject to these exceptions, Landlord will defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Lease term.

## SECTION 13. EVENTS OF DEFAULT

13.1. Default in Rent. Failure of Tenant to pay any Rent provided for in this agreement within ten (10) days of the due date.

13.2. Default in Other Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the agreement within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity shall constitute a default. If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Provided, however, if there is an immediate danger proposed by the nature of the breach by the Tenant, the notice required of Landlord may be shortened to address the urgency of the breach and the need for immediate correction.

13.3. Default under Developer Services Agreement. Prior to any assignment of this Agreement to the purchaser of the Improvements on the Premises, a default by the Builder under the DSA shall be a default by the Builder under this Agreement. Upon assignment of the Agreement to the purchaser of the improvements on the Premises, this Section 13.3 shall have no further force or effect.

13.4. Default under Covenants, Conditions and Restrictions. A default by Tenant under the Declaration of Covenants, Conditions and Restrictions for S.W. Corner Houses, recorded at \_\_\_\_\_, in the real property records of Deschutes County, shall be deemed a default under this Agreement.

#### SECTION 14. REMEDIES ON DEFAULT AND DAMAGES

In the event of default, the Landlord at its option may terminate the agreement by notice in writing by certified mail to Tenant. The notice may be given before or within thirty (30) days after the running of the grace period for default and may be included in a notice of failure of compliance. If the property is abandoned by the Tenant, in connection with a default, termination shall be automatic and without notice.

14.1. Damages. In the event of termination or default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of the agreement term, the following amounts as damages:

14.1.1. The reasonable costs of reentry and reletting including without limitation the cost of any clean up, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's failure to quit the Premises upon termination and to leave them in the required condition.

14.1.2. The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been secured.

14.2. Right to Sue More than Once. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Term, and no action for damages will bar a later action for damages subsequently accruing.

14.3. Remedies Cumulative. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law and may be exercised concurrently or successively in such order or combination as Landlord in its sole discretion may elect.

14.4. Reentry after Termination.

14.4.1. Tenant shall vacate the property immediately, remove any personal property of Tenant and any other property required by Landlord under the provisions of Section 15, perform any clean-up alterations or other work required at the end of the term, and deliver all keys to Landlord.

14.4.2. Landlord may reenter, take possession of the Premises and remove any persons and property by legal action.

## SECTION 15. TERMINATION

15.1. Transfer of Improvements. Tenant shall not remove any Improvements from the Premises, nor commit any waste or destroy any Improvements. If requested by Landlord, Tenant shall, without charge to Landlord, promptly execute, acknowledge and deliver to Landlord a quitclaim deed and bill of sale which (a) conveys all of Tenant's right, title and interest in and to the Premises; (b) assigns, without representation or warranty and to the extent assignable by the terms of such contracts, all contracts designated by Landlord, relating to the operation, management or maintenance of the Premises or any part thereof; and (c) conveys, without representation or warranty and to the extent assignable by the terms of such contracts, all plans, records, registers, permits, and all other papers and documents which may be necessary or appropriate for the proper operation and management of the Premises, and shall deliver all of the foregoing to Landlord.

15.2. Removal of Realty Fixtures Not Permitted. Except as provided in Section 15.6, Tenant is not required or permitted to demolish the Improvements. Except as provided in Section 15.6, Tenant shall not have the right to remove fixtures, and such fixtures shall automatically become the property of Landlord without payment of any kind to Tenant.

15.3. Surrender of Lien-Free Title. Unless otherwise provided herein, upon the expiration or earlier termination of this Lease, Tenant shall deliver possession of the Premises, and every part thereof, to Landlord, cure all material defaults and shall grant and convey all right, title, and interest in the Improvements, and every part thereof, in good and broom- clean condition subject to ordinary wear and tear, free and clear of all liens and encumbrances created or suffered by Tenant, excepting (i) those created by Landlord, and (ii) those liens and encumbrances approved in writing by Landlord with the express agreement of Landlord that such may survive the expiration or earlier termination of this Lease. This obligation includes the obligation to discharge all liens and encumbrances which may exist upon early termination of this Lease.

15.4. Surrender of Fixtures. Tenant's obligation under this Section 15.4 includes the obligation to deliver lien-free possession and title to all fixtures attached to the Improvements.

15.5. Failure to Surrender. If Tenant fails to surrender the Premises, or any part thereof, as required hereunder, at the expiration or sooner termination of this Lease, Tenant shall indemnify, defend and hold the indemnified parties harmless from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding tenant, founded on or resulting from Tenant's failure to surrender, and any direct damages which the indemnified Parties may incur.

15.6. Tenant's Right to Remove Personal Property. At the expiration or earlier termination of this Lease, provided Tenant is not then in default under this Lease, Tenant may remove any or all of Tenant's personal property from the Premises and improvements, so long as (a) such personal property and trade fixtures can be removed without material damage to the improvements, and (b) such personal property and trade fixtures are removed within thirty (30) days following such expiration or earlier termination of this Lease, and (c) all resultant injuries to the Premises and improvements are promptly and substantially remedied and Tenant takes reasonable steps necessary to preserve the appearance of the Premises and improvements. Upon request of Landlord, Tenant shall remove any and all of Tenant's personal property from the Premises and improvements upon expiration or earlier termination of this

Lease. Any personal property and trade fixtures remaining on the Premises after said thirty (30) day period shall automatically vest and become the sole property of Landlord without any payment by Landlord and without any further action or agreement required in connection therewith, including the necessity of a bill of sale, deed, conveyance or other act or agreement of Tenant, and without payment of any kind or nature by Landlord to Tenant or to any other person.

15.7. Nonrecourse Obligation. Tenant agrees that regarding any claim against Landlord, including any claim of default by Landlord under this Lease or in any claim or cause of action arising under this Lease or arising out of the Landlord-Tenant relationship created by this Lease, the sole and exclusive remedy of Tenant will be against the interests of Landlord in the Premises and its reversionary interest in the Improvements and Landlord will have no other liability hereunder. Tenant will not enforce any judgment against Landlord except against the interest of Landlord in the Premises and its reversionary interest in the Improvements. In no event will any member, agent, or employee of Landlord have any personal liability to Tenant. Tenant agrees that this provision will apply to any and all liabilities, claims, and causes of action whatsoever, including those based on any provision of this Lease, any implied covenant, or any statute or common-law principle. Notwithstanding any other provision of this Lease, in no event whatsoever will Landlord be responsible for any consequential or incidental damages or for any action that Landlord believes in good faith is necessary to comply with legal requirements with respect to the Premises or Improvements.

#### SECTION 16. GENERAL PROVISIONS

16.1. Non-Waiver. Waiver by either party or strict performance of any provision of this agreement shall not be a waiver of or prejudice the parties' right to require strict performance of the same provision of the future or of any other provision. Acceptance of either party of performance allowing a default will not be deemed a waiver of such default. No waiver by either party of a default will constitute a waiver of any other default.

16.2. Right to Cure Other Parties' Defaults. If either party fails to perform any obligation under this Lease, the non-defaulting party will have the option to cure the other party's default after 30 days' written notice to the defaulting party, or immediately in the event of an emergency. All of the expenditures to correct the other party's default including a 10% markup to cover overhead and time of the curing party will be reimbursed by the defaulting party on demand from the date of expenditure and will be considered Additional Rent in the case of Tenant. Such action will not waive any other remedies available to the non-defaulting party because of the default. Tenant will have the right to deduct the costs from the next due payments of Rent under this Lease unless Landlord disputes liability to Tenant, in which event Tenant, at its option, may submit the matter to binding arbitration. In the event of such a dispute, Tenant will not deduct the costs unless and until the dispute has been resolved either by a settlement agreement or by a final award in arbitration or a final judgment by a court of competent jurisdiction.

16.3. Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be by e-mail and be mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

LANDLORD'S AGENT:

TENANT:

College Land Development Company I, LLC  
c/o William Smith Properties, Inc.  
Attn: \_\_\_\_\_  
15 SW Colorado Ave., Suite 1  
Bend, OR 97702  
Email: \_\_\_\_\_

\_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

Any notice or other communication shall be deemed to be given at the expiration of the three (3) day after the date of deposit in the United States mail. The addresses to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other party as provided herein. For purposes of this Agreement, Landlord's Agent shall be the primary party for purposes of communication, payment of Rent and notice under this Agreement. Landlord shall have the right to change Landlord's Agent and shall notify Tenant of any such change in writing.

16.4. Invalidity. The invalidity of any provision of this agreement will not affect the other provisions, unless the purpose of the parties in making this agreement would be thereby frustrated.

16.5. Warranties/Guarantees. Landlord makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Leased Premises, and it is agreed that the Landlord will not be responsible for any loss, damage, or costs which may be incurred by the Tenant by reason of any such physical condition.

16.6. Interpretation. This agreement shall be deemed to have been made in, and performance thereof shall be construed in accordance with the laws of the State of Oregon.

16.7. Costs and Attorney Fees. In the event suit or action is instituted to enforce any of the terms of this contract, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

16.8. Mediation and Arbitration. The parties shall first attempt to resolve any dispute concerning this Lease or arising in any way out of the performance of this Lease through nonbinding mediation. In the event the dispute cannot be resolved within thirty (30) days by the parties in good faith through nonbinding mediation, the dispute shall be settled by binding arbitration by a mutually acceptable arbitrator in Deschutes County, Oregon, in accordance with ORS 36.300 -36.365, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

In the event the parties are unable to agree upon the arbitrator, then they shall submit a list of names of three people to each other. Each party shall strike two names and the remaining name on each party's selection shall be placed in a container and the name drawn shall be the arbitrator who shall thereafter consider all of the issues, shall make the decision to resolve the issue and such decision shall be final and binding. The cost of this arbitration shall be shared equally by the parties.

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

LANDLORD:

TENANT:

CENTRAL OREGON COMMUNITY COLLEGE

[Tenant]

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

DRAFT