



**GRANT AGREEMENT
BETWEEN DESCHUTES COUNTY and
CRAIG AND LORI GALES LIVING TRUST
No. 2025-1096**

Program Name: Deschutes County
Grantee: Craig and Lori Gales Living Trust, c/o Craig Gales, Trustee and Lori Gales, Trustee
Address: 62150 Hamby Road, Bend, OR 97701 ("Property")
Contact Person: Craig Gales
Amount of Award: up to \$25,000
Date of Award: December __, 2025

1. Background

Craig and Lori Gales Living Trust; Craig Gales, Trustee; and Lori Gales, Trustee (Grantee) owns property at 62150 Hamby Road, Bend, Oregon. The Grantee intends to use the property for indoor/outdoor shelter, services incidental to shelter, and/or safe parking to assist in addressing the County's homeless population. In order to lawfully provide indoor/outdoor shelter or safe parking (Project), the Grantee needs to apply for and successfully change the property's zoning designation from Exclusive Farm Use to Multiple Use Agricultural-10 or Rural Residential -10, as authorized under ORS 197.783. This Grant Agreement is separate and apart from the rezone process and does not guarantee a successful outcome of the rezone application.

The Coordinated Homeless Response Office (CHRO) Board voted to use up to \$25,000 of CHRO funds from Deschutes County Fund 205 to help offset the Deschutes County Community Development Department land use application fees associated with the Grantee's rezone application. The CHRO Board recommended that County enter into an agreement with Grantee to provide a guarantee that upon a successful rezone, the property would be used for the specified Project (e.g., restrictive covenant).

2. Grant Agreement Purpose

The purpose of this Grant Agreement is to: provide a one-time contribution of up to **\$25,000** to help offset the Deschutes County Community Development Department land use application fees associated with the Gales' rezone application. A successful rezone will allow Grantee to use the property for indoor/outdoor shelter, services incidental to shelter, and/or safe parking to assist in addressing the County's homeless population. In exchange for receipt of grant funding, Grantee shall sign and an Agreement Creating Land Use Restrictive Covenant ("Restrictive Covenant") related to the Project. The Restrictive Covenant shall be recorded on the Property only if the Property is successfully rezoned to Multiple Use Agricultural – 10 or Rural Residential – 10 and have a term of the date the Restrictive Covenant is recorded through December 31, 2040.

3. Grant Disbursement

The maximum not-to-exceed amount payable to the Community Development Department on behalf of the Grantee to offset land use application fees associated with Grantee rezone application for the Project under this Grant Agreement is **\$25,000**. Funds shall be paid from the CHRO budget to the Community Development Department as an interfund transfer within fifteen (15) days after the Community Development Department finalizes the bill associated with the Grantee's land use application and the Grant Agreement and Agreement Creating Land Use Restrictive Covenant have been executed. County will not disburse funds to Grantee in excess of the not-to-exceed amount and will not disburse funds until this Grant Agreement and Agreement Creating Land Use Restrictive Covenant have been signed by all parties and all conditions precedent, if any, have been satisfied to the satisfaction of Deschutes County. Any and all additional fees above the not-to-exceed amount incurred by Grantee during the rezone process are the responsibility of the Grantee.

4. Effective Date and Termination Date.

The effective date of this Grant Agreement ("Agreement") shall be deemed the day of contract execution. Unless extended or terminated earlier in accordance with its terms, this Agreement shall terminate upon the date the Restrictive Covenant is recorded. Grant Agreement termination shall not extinguish or prejudice County's right to enforce this Grant Agreement with respect to any default by Grantee that has not been cured. This Grant Agreement may be renewed or extended only upon written agreement of the Parties. Either Party may terminate this Agreement with a thirty (30) days' written notice to the other Party.

**DESCHUTES COUNTY GRANT AGREEMENT
DOCUMENT NO. 2025-1096**

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Grant Agreement and attached Exhibits to be executed, either as individuals, or by their officers, thereunto duly authorized.

Craig and Lori Gales Living Trust

BY:

Signature

Name: Craig Gales

Title: Craig and Lori Gales Living Trust

Deschutes County

BY:

Signature

Name: Nick Lelack

Title: County Administrator

BY:

Signature

Name: Lori Gales

Title: Craig and Lori Gales Living Trust

STANDARD TERMS AND CONDITIONS

1. Governing Law, Consent to Jurisdiction.

This Grant Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.

A. Any claim, action, suit or proceeding (collectively, "Claim") between County and Grantee that arises from or relates to this Grant Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Deschutes County for the State of Oregon; provided, however, if a Claim shall be brought in federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

B. GRANTEE, BY EXECUTION OF THIS GRANT, HEREBY CONSENTS TO THE IN-PERSON JURISDICTION OF SAID COURTS. The parties agree that the UN Convention on International Sales of Goods shall not apply.

2. Compliance with Law.

Grantee shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Grantee and this Grant Agreement. This Section shall survive expiration or termination of this Grant Agreement.

3. Independent Parties; Conflict of Interest.

A. Grantee is not an officer, employee, or agent of Deschutes County as those terms are used in ORS 30.265 or otherwise.

B. If Grantee is currently performing work for Deschutes County or the federal government, Grantee by signature to this Grant Agreement, represents and warrants that Grantee's participation in this Grant Agreement creates no potential or actual conflict of interest as defined by ORS Chapter 244 and that no statutes, rules or regulations of the State of Oregon or federal agency for which Grantee currently performs work would prohibit Grantee's participation under this Grant Agreement.

4. Grant Funds; Payments.

Grantee understands and agrees that County's participation in this Grant Agreement is contingent on County receiving appropriations, limitations, allotments or other expenditure authority sufficient to allow County, in the exercise of its reasonable administrative discretion, to participate in this Grant Agreement.

5. Indemnity.

GRANTEE SHALL DEFEND, SAVE, HOLD HARMLESS, AND INDEMNIFY DESCHUTES COUNTY AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER, INCLUDING ATTORNEY FEES, RESULTING FROM, ARISING OUT OF, OR RELATING TO THE ACTIVITIES OF GRANTEE OR ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, OR AGENTS UNDER THIS GRANT AGREEMENT. THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS GRANT AGREEMENT.

6. Default; Remedies. In the event of breach of this Grant Agreement the Parties shall have the following remedies:

A. Termination under this Grant Agreement shall be without prejudice to any obligations or liabilities of either Party already reasonably incurred prior to such termination.

1) Grantee may not incur obligations or liabilities after Grantee receives written notice of termination.

2) Additionally, neither Party shall be liable for any indirect, incidental, consequential or special damages under this Grant Agreement or for any damages of any sort arising solely from the termination of this Grant Agreement in accordance with its terms.

B. If terminated by the County due to a breach by the Grantee, County may pursue any remedies available at law or in equity.

C. If amounts previously paid to Grantee exceed the amount due to Grantee under this Grant Agreement, Grantee shall repay any excess to County upon demand.

- D. Neither County nor Grantee shall be held responsible for delay or default caused by fire, civil unrest, government declared public health emergency, labor unrest, riot, acts of God, or war where such cause was beyond reasonable control of County or Grantee, respectively.
 - E. If Grantee or any future owners of the Property fail to comply with the deed restriction during the fifteen (15) year period, County may institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation or to compel specific performance by such owner of its obligations. This provision shall survive the termination of this Grant Agreement.
 - F. The passage of this Grant Agreement expiration date shall not extinguish or prejudice the County's or Grantee's right to enforce this Grant Agreement with respect to any default or defect in performance that has not been cured.
 - G. Differences between a Grantee and County will be resolved when possible at appropriate management levels, followed by consultation between governing or operating bodies, if necessary.
- 7. Termination.** All or part of this Grant Agreement may be terminated by mutual consent of both Parties or by either Party at any time for convenience upon sixty (60) days' notice in writing to the other Party. The County may also terminate all or part of this Agreement as specified below:
- A. This Grant Agreement shall be terminated immediately and no obligations, financial or otherwise, shall be imposed upon County if funding to the County from Deschutes County Board of Commissioners sources is not obtained or is not continued at levels deemed sufficient by County to allow for the underlying grant award. The County will give notice whenever possible.
 - B. With thirty (30) days' written notice, if Federal or State regulations are modified or changed in such a way that the subject matter of the underlying grant award is no longer lawful or deemed an allowable use under this Grant Agreement.
 - C. Termination shall be without prejudice to any obligations or liabilities of either Party accrued prior to such termination.
 - D. Grantee shall make no expenditures, enter into no contracts, nor encumber funds in its possession or to be transferred by County, after notice of termination and later termination as set out above, without prior written approval from County.
- 8. Payment on Early Termination.** Upon termination pursuant to Paragraph 7, payment shall be made as follows:
- A. If this Grant Agreement terminated because funding from Deschutes County Board of Commissioners sources is not obtained or is not continued at levels sufficient to allow for payment of grant funds, the County shall pay Grantee for deemed allowable expenditures undertaken prior to the termination date if such expenditure was performed in accordance with the Grant Agreement. Provided however, County shall not be obligated to allow grant funds to be payable to Grantee for any obligations or liabilities incurred by Grantee after Grantee receives written notice of termination.
 - B. If this Grant Agreement is terminated by the Grantee due to a breach by the County, then the County shall pay the Grantee for expenditures incurred prior to the termination date if such work was performed in accordance with the Grant Agreement.
- 9. Records Maintenance, Access.** Grantee shall maintain all financial records relating to this Grant Agreement in accordance with generally accepted accounting principles. Grantee shall retain and keep accessible all Records for the longest of:
- A. Six (6) years following final payment and termination of this Grant Agreement; or
 - B. Until the conclusion of any audit, controversy or litigation arising out of or related to this Grant Agreement.
- 10 Assignment of Agreement, Successors in Interest.** Grantee shall not assign or transfer its interest in this Grant Agreement without prior written consent of County. Any such assignment or transfer, if approved in the sole discretion of County, is subject to such conditions and provisions required by County. No approval by County of any assignment or transfer of interest shall be deemed to create any obligation of County apart from those set forth in this

Grant Agreement. The provisions of this Grant Agreement shall be binding upon and inure to the benefit of the parties, their respective successors, and permitted assigns.

11 Resolution of Disputes. The parties shall attempt in good faith to resolve any dispute arising out of this Grant Agreement. In addition, the parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation. This Section shall survive expiration or termination of this Grant Agreement.

12. No Third Party Beneficiaries.

- A. County and Grantee are the only Parties to this Grant Agreement and are the only Parties entitled to enforce its terms.
- B. Nothing in this Grant Agreement gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name in this Grant Agreement and expressly described as intended beneficiaries of this Grant Agreement.

13 Severability.

The parties agree that if any term or provision of this Grant Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Grant Agreement did not contain the particular term or provision held to be invalid. This Section shall survive expiration or termination of this Grant Agreement.

14 Notice.

Except as otherwise expressly provided in this Grant Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, e-mail, or mailing the same, postage prepaid to Grantee or County at the address or number set forth in this Grant Agreement, or to such other addresses as either party may indicate pursuant to this Section. Any communication or notice so addressed and mailed by regular mail shall be deemed received and effective five days after the date of mailing. Any communication or notice delivered by e-mail shall be deemed received and effective five (5) days after the date of e-mailing. Any communication or notice given by personal delivery shall be deemed effective when actually delivered to the addressee.

<u>To Grantee:</u>	<u>To County:</u>
Craig Gales	Nick Leleck
62615 Erickson RD	Deschutes County Administrator's Office
Bend, OR 97701	1300 NW Wall Street
	Bend, Oregon 97701
Phone: 541-668-3510	Phone : 541-388-6565
Email: craiggales@gmail.com	Email: nick.leleck@deschutes.org

This Section shall survive expiration or termination of this Grant Agreement.

15 Headings.

The headings and captions to sections of this Grant Agreement have been inserted for identification and reference purposes only and shall not be used to construe the meaning or to interpret this Grant Agreement.

16 Amendments; Waiver; Consent.

County may amend this Grant Agreement to the extent provided herein, the solicitation document, if any from which this Grant Agreement arose, and to the extent permitted by applicable statutes and administrative rules. No amendment, waiver, or other consent under this Grant Agreement shall bind either party unless it is in writing and signed by both parties. Such amendment, waiver, or consent shall be effective only in the specific instance and for the specific purpose given. The failure of either party to enforce any provision of this Grant Agreement shall not constitute a waiver by that party of that or any other provision. This Section shall survive the expiration or termination of this Grant Agreement.

17. Merger Clause.

This Grant Agreement constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein, regarding this Grant Agreement.