GRESHAM
REDEVELOPMENT COMMISSION

Agenda

Commission Chair Travis Stovall
Commission Vice Chair Janine Gladfelter
Commission Acting Chair Kayla Brown
Commissioner Eddy Morales
Commissioner Cathy Keathley
Commissioner Jerry Hinton
Commissioner Sue Piazza

Gresham Redevelopment Commission
Business Meeting

September 01, 2026
3:30 PM

Gresham Public Safety and Schools Building
Council Chambers
1333 NW Eastman Parkway, Gresham, Oregon

Members of the public are welcome to attend this meeting in the Council Chambers.
This meeting will also be broadcast live at www.greshamoregon.gov/agendas and via Zoom.

Please use the link below to join the Zoom webinar:

https://greshamoregon.zoom.us/j/87895316107?pwd=YTlJZFlrcTV5SU8xa1NoVWdXWXhsZz09

Webinar ID: 878 9531 6107
Passcode: 4xERZB5sqX

Telephone: 253 215 8782
Passcode: 498 368 8933

PLEASE NOTE
Instructions for signing up for written or oral testimony are provided on this agenda under section B (1): Instructions to Citizens on Signing Up for Public Testimony Regarding Agenda and Non-Agenda Items.

A. Opening – 5 Minutes

1. **Call to Order**

2. **Roll Call**

B. Open Public Comment – 10 Minutes

1. **Instructions to the Public**
   Written Testimony must be received by 3:00 p.m., on Monday, August 31, 2026, via email to Johntae Ivory, Program Technician, at johntae.ivory@greshamoregon.gov
   Oral Testimony: Persons wishing to provide oral testimony must register their request to Johntae Ivory, Program Technician, by calling 503-618-2473 or emailing johntae.ivory@greshamoregon.gov by 3:00 p.m., on Monday, August 31, 2026 and include their name, email address, phone number, and subject matter of the oral testimony.
   Mr. Ivory will send persons who wish to provide oral testimony via Zoom a Zoom link to use to provide the oral testimony.

2. **Open Public Testimony**

C. Consent Agenda – 5 Minutes

Commission actions are taken in one motion on Consent Agenda items; however, Commission members can remove items from the Consent Agenda to be addressed separately.

1. **Gresham Redevelopment Commission Meeting Minutes**
   Move to approve minutes from the Gresham Redevelopment Commission Meeting of August 18, 2026.
   Urban Renewal

D. Public Hearing

E. Commission Business – 10 Minutes

1. **Ground Lease for Real Property at 18613-18685 East Burnside Street**
   Move to approve a ground lease (New Ground Lease) with Rockwood Rising, LLC and any wholly owned, controlled, or affiliated entities for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18613-18685 E. Burnside Street (Building A).
   Justin Douglas, GRDC Executive Director
   Urban Renewal

F. Staff Reports

G. Commission Measures, Proposals and Announcements

H. Adjournment

Total Estimated Time: 30 Minutes

Gresham Redevelopment Commission

AGENDA ITEM TYPE: Consent

Gresham Redevelopment Commission Meeting Minutes

Meeting Date: September 1, 2026	Staff Member: Johntae Ivory
Service Area: Urban Renewal	Agenda Item Number: C-1

Requested Council Action and Suggested Motion:

Move to approve minutes from the Gresham Redevelopment Commission Meeting of August 18, 2026.

Reviewed By:

Justin Douglas, GRDC Executive Director

Attachments:

A. GRDC Minutes 8-18-26

A. Opening

1. Call to Order

Chair Travis Stovall called the Gresham Redevelopment Commission (GRDC) meeting to order on Tuesday, August 18, 2026, at 3:16 P.M. in Council Chambers and Zoom, Meeting ID 878 9531 6107 or https://greshamoregon.zoom.us/j/87895316107

2. Roll Call

COMMISSION PRESENT: Commission Chair Travis Stovall
Commissioner Kayla Brown
Commissioner Janine Gladfelter
Commissioner Cathy Keathley
Commissioner Eddy Morales
Commissioner Sue Piazza

COMMISSION ABSENT: Commissioner Jerry Hinton

STAFF PRESENT: Teresa Carr, Gresham City Manager
Ellen Van Riper, Gresham City Attorney
Justin Douglas, GRDC Executive Director
Michael Gonzales, Urban Renewal Project Coordinator
Jamie Trimble, Urban Renewal Project Coordinator
Johntae Ivory, Recording Secretary

B. Open Public Comment - 10 Minutes

1. Instructions to the Public

Written Testimony must be received by 3:00 p.m. on Monday, August 17, 2026, via email to Johntae Ivory, Program Technician, at johntae.ivory@greshamoregon.gov
Oral Testimony: Persons wishing to provide oral testimony must register their request to Johntae Ivory, Program Technician, by calling 503-618-2473 or emailing johntae.ivory@greshamoregon.gov by 3:00 p.m. on August 17, 2026 and include their name, email address, phone number, and subject matter of the oral testimony. Mr. Ivory will send persons who wish to provide oral testimony via Zoom a Zoom link to use to provide the oral testimony.

2. Open Public Testimony

Chair Travis Stovall read the instructions.

Johntae Ivory, Recording Secretary, reported that no citizens signed up to provide oral testimony or submitted written testimony.

C. Consent Agenda - 5 Minutes

Commission actions are taken in one motion on Consent Agenda items; however, Commission members can remove items from the Consent Agenda to be addressed separately.

1. **Gresham Redevelopment Commission Meeting Minutes**
   Move to approve minutes from the Gresham Redevelopment Commission meeting of June 9, 2026.

2. **Resolution 61: A Resolution Establishing the Downtown/Civic Advisory Committee**
   Move to approve Resolution No. 61 establishing the Downtown/Civic Advisory Committee.

3. **Appointments to the Downtown/Civic Advisory Committee**
   Move to confirm the appointments of Mark Garber, Claire Lider, Tracy Klinger, Teresa Peterson, Thea Enos, Silvie Andrews, and Antonio Paez to the Downtown/Civic Advisory Committee.

   Chair Stovall recognized the new committee members for their commitment to the City of Gresham, the committee, and Downtown/Civic. Appreciation was expressed for their willingness to help guide the City through its continued growth, maturation, and next phase of urban renewal development.

4. **Appointment to the Rockwood-West Gresham Advisory Committee**
   Move to confirm the appointment of Steve Garcia to the Rockwood-West Gresham Advisory Committee.

Chair Stovall asked if there was any discussion on the Consent Agenda items or motion.

Chair Stovall called for a motion on the Consent Agenda item C-1, C-2, C-3, C-4.

A motion was made by **Commissioner Gladfelter** and seconded by **Commissioner Brown** to APPROVE CONSENT AGENDA ITEM C-1, C-2, C-3, C-4.

Chair Stovall called for the vote. The motions passed as follows:

Commission Chair Travis Stovall	YES
Commissioner Kayla Brown	YES
Commissioner Janine Gladfelter	YES
Commissioner Jerry Hinton	ABSENT
Commissioner Cathy Keathley	YES
Commissioner Eddy Morales	YES
Commissioner Sue Piazza	YES

Chair Stovall welcomed and recognized **Jamie Trimble** as a new member of the Urban Renewal team, serving as the Urban Renewal Project Coordinator.

D. Public Hearing

E. Commission Business

F. Staff Report

G. Commission Measures, Proposals and Announcement

Mr. Ivory announced the annual Rock the Block event will be held Saturday, August 22, from 11 a.m. to 4 p.m. at Rockwood Market Hall. The family-friendly event will feature live music, community resources, free backpacks and school supplies, and free haircuts for kids.

H. Adjournment

Hearing no further business, **Chair Stovall** adjourned the meeting at **3:22 P.M.**

____
Travis Stovall,
Chair

Prepared by:

____
Johntae Ivory
City Recorder

GRESHAM
REDEVELOPMENT COMMISSION

Gresham Redevelopment Commission

AGENDA ITEM TYPE: Motion

Ground Lease for Real Property at 18613-18685 East Burnside Street

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Meeting Date: September 1, 2026
Service Area: Urban Renewal

Staff Member: Johntae Ivory
Agenda Item Number: E-1

Requested Council Action and Suggested Motion:

Move to approve a ground lease (New Ground Lease) with Rockwood Rising, LLC and any wholly owned, controlled, or affiliated entities for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18613-18685 E. Burnside Street (Building A).

Public Purpose, Community Outcome, and Strategic Plan Alignment:

The purpose of this action is to support long-time partner RKm Development in the operations and success of the multi-phased, mixed-use Downtown Rockwood project in the Rockwood-West Gresham Urban Renewal Area.

Background:

Original Ground Lease

On June 19, 2018, the GRDC approved a Land Disposition Agreement and associated ground leases for a larger GRDC-owned property, including Buildings A, B, C, D, and an urban plaza. Since then, RKm has completed construction on each, including the following uses and tenants (not a complete list):

A. Lumen Business Center, Mt. Hood Community College Small Business Development Center, La Villa Grill & Bar, Wallace Medical Concern, Little Wings Academy, Worksource Oregon
B. Aviva Apartments, Forrit Credit Union, Multnomah County Women, Infants, and Children
C. Rockwood Market Hall, POIC Commercial Kitchen, plaza, approximately 15 small businesses and food vendors
D. Oregon Tradeswomen

Buildings A and D were financed, in part, by New Market Tax Credits (NMTC), a federal program that provides tax incentives to private investors for funding real estate projects in economically distressed communities. RKm created Rockwood Rising Management, LLC to help finance construction of Buildings A and D and to be the tenant on the Original Ground

Lease for both buildings. Subsequently, the GRDC and Rockwood Rising Management, LLC executed the Original Ground Lease for Buildings A and D on May 10, 2019.

After seven years (July 8, 2026, in this case), the NMTC federal tax credit compliance period ends, which precipitates an “unwind” of the original transaction; the investor receives their full tax credit, the temporary investment fund partnership is dissolved, and ownership or debt is transferred to transition the project into its permanent financial structure. An unwind frequently triggers a ground lease amendment—or complete termination and new lease—because the ground lease is a temporary structural vehicle designed solely to satisfy federal regulations during the seven-year compliance period. Once the seven years end, the reasons for that specific lease structure disappear, requiring legal modifications to reflect the project's long-term operational reality.

Proposed New Ground Lease
RKm is proposing to terminate the Original Ground Lease with Rockwood Rising Management, LLC and execute a New Ground Lease with Rockwood Rising, LLC. The New Ground Lease will only apply to Building A; RKm will likely be seeking a separate, new ground lease for Building D later in 2026.

Proposed Terms
The New Ground Lease includes the following edits to the Original Ground Lease (see changes in the redlined version in Attachment A):

Section	**Comments**
Preamble (p. 1)	Changes name of legal structure of lessee for NMTC compliance
Recital I (p. 2)	Updated to reflect original lease commencement date
Recital J (p. 2)	Updated to reflect recorded lease document number
Recital K (p. 2)	Added to acknowledge intent of new ground lease
Article 2.1 (p. 3)	‘Original’ added to ensure that the initial term of the new lease is same as current lease
Article 3.1.b (p. 4)	Removes appraised value of Building D
Article 3.1.c (p. 5)	Debt Coverage Ratio changes from 1.0 to 1.25 to be in line with lender requirements. If ratio is below 1.25, loan would be out of compliance
Article 4 (p. 5)	Removed as relates to Building D facility use agreement
Article 16.7 (p. 25)	Removed as relates to Rockwood Market Hall only
Article 18.2	Removed NMTC language as no longer relevant
Article 18.3.i (p 27)	Removed NMTC language and put in standard mortgage language
Article 18.3.j (p 27)	Updated language removing GRDC as real property owner to Landlord so lease would not have to be amended should GRDC sell or sublease. GRDC is the Landlord
Article 26	Updated signers and contacts
Article 30	Removed as data no longer relevant
Exhibit A	Updated legal description

All financial terms will remain unchanged, and the GRDC will begin receiving lease payments on February 15, 2029 (see below for details).

Recommendation and Alternatives:
Recommendation:

Move to approve a New Ground Lease with Rockwood Rising, LLC and any wholly owned, controlled, or affiliated entities for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18613-18685 East Burnside Street (Building A).

Alternatives:
The GRDC could direct the Executive Director to refine the terms of the New Ground Lease.

The GRDC could direct staff not to proceed with a new lease.

Budget/Financial Impact:
As noted, there are no changes to rent commencement, base rent, and annual rent calculations. If approved, the New Ground Lease will yield the following estimated rent payments to the GRDC commencing on February 15, 2029:

- Year 1: $26,020.20
- Year 2: $53,357.02
- Year 5: $57,510.14

Public Involvement:
N/A

Attachments:
A. New Ground Lease, Building A - redlines
B. New Ground Lease, Building A - clean

From:
Justin Douglas, GRDC Executive Director

Reviewed Through:
Helen Toloza, Deputy City Attorney
Elizabeth McCann, Director of Budget and Finance
Teresa Carr, City Manager

GROUND LEASE
ROCKWOOD RISING

This GROUND LEASE (this "Lease") is made and entered into on May 10, 2019 (the "Commencement Date"), by and between GRESHAM REDEVELOPMEN T COMMISSION, the duly authorized and acting urban renewal agency of the City of Gresham, Oregon ("Landlord"), and ROCKWOOD RISING ~~MANAGEMENT~~, LLC, an Oregon limited liability company ("Tenant").

RECITALS

A. In furtherance of the objectives of Oregon Revised Statutes Chapter 457 and Article 2.24 of the Gresham Revised Code, Landlord has undertaken a program for the development and redevelopment of blighted areas within the city limits and in connection therewith prepared an Urban Renewal Plan for the Rockwood-West Gresham Urban Renewal Area, which was approved by the citizens of Gresham by city-wide vote on November 4, 2003 as required by Section 36A of the Charter of the City of Gresham.

B. Landlord, finding it necessary and in the public interest to implement the Urban Renewal Plan, acquired the property in the Rockwood-West Gresham Urban Renewal Area as described in Exhibit A-~~1~~ (the "Property").

C. Landlord intends for the Property to serve as a catalyst for further redevelopment to further the following Rockwood-West Gresham Renewal Plan Goals:

- Goal 1 Public Involvement
- Goal 2 Improve Rockwood Town Center
- Goal 4 Help Create and Retain Family Wage Jobs by Improving Industrial and Commercial Areas
- Goal 6 Parks and Recreation Facilities
- Goal 7 Improve Transportation
- Goal 8 Promote Quality Development;

D. In furtherance of these redevelopment objectives, on September 16, 2015, Landlord issued Request for Expressions of interest Number 16-03 for redevelopment of the Property;

E. On November 17, 2015, Landlord selected Tenant as the developer for the Property, and Landlord and Tenant entered into negotiations for conveyance of an interest in the Property to Tenant and for Tenant's redevelopment of the Property as "Rockwood Rising."

F. On May 17, 2016, Landlord and Tenant entered into a non-binding Memorandum of Understanding (MOU) which describes in general terms the joint objectives of the redevelopment of the Property.

G. The Parties negotiated a Land Development Agreement (LOA) dated as of June 19, 2018, as amended by Amendment No. One and Amendment No. Two, setting forth the terms and conditions under which Landlord will convey a leasehold interest in the Property to Tenant and Tenant will redevelop the Property as Rockwood Rising.

H. Pursuant to Section 16 of Enrolled Senate Bill 5530, 2017 Oregon Legislature Regular Session, Landlord has entered into a State of Oregon Lottery Revenue Bonds Grant Agreement (the "Lottery Agreement") with the State of Oregon, acting by and through its Department of Administrative Services ("DAS") as amended by Amendment #1. The Lottery Agreement, as amended, has been approved by Tenant. The Lottery Agreement requires a portion of Building A to be used as an innovation and workforce training center known as the Rockwood Innovation Center (the "Innovation Center").

I. Effective as of May 10, 2019 (the “Original Commencement Date”)Landlord ~~desires to lease to Tenant, and Tenant desires to lease from Landlord~~, leased the real property described on attached Exhibit A~~-1~~, together with any and all rights, privileges, easements, and appurtenances (collectively, the "Premises") to Rockwood Rising Management, LLC, an Oregon limited liability company (RRM), pursuant to a Ground Lease between Landlord and RRM (the “Original Ground Lease”), with respect to which a Memorandum ~~fo~~of Ground Lease was recorded in the Official Records of Multnomah County as document number 2019-047018. The Premises consists of approximately 0.99 acres and is located within the approximately five-acre Catalyst Site, bounded by SE Stark Street, SE 188th Avenue, SE 185th Avenue and E Burnside Street, directly south of the Rockwood/E 188th St MAX Station.

~~J. The real property described on the attached Exhibit A-1 includes within it certain property as described on attached Exhibit A-2, together with any and all rights, privileges, easements, and appurtenances (such property described on Exhibit A-2 being referred to herein as the "Phase 11 Premises"). The Phase II Premises is being leased hereunder solely to satisfy certain title requirements of the financing parties to the Project and it is the intent of the Landlord and Tenant that the Tenant will not be able to use or develop any portion of the Phase II Premises other than as may be agreed to in writing by Landlord. After the date hereof the Tenant will pursue, and the Landlord will reasonably cooperate with, a partition of the Property into two separate parcels, one being pursuant to the metes and bounds description for the Phase II Premises and the other being for the Property excluding the Phase II Premises, each depicted in Exhibit B attached hereto (the "Partition"). Upon the occurrence of the Partition the leasehold estate granted to Tenant hereunder for the Phase II Premises hereunder shall automatically terminate and the parties shall execute such documentation to evidence such termination all as set forth in Section 30 of this Agreement.~~

J. On the Original Commencement Date, RRM subleased the Premises to Tenant pursuant to a Ground Lease between RRM, as “Lessor” and Tenant, as Lessee (the “Project Ground Lease”), with respect to which a Memorandum of Ground Lease was recorded in the Official Records of Multnomah County as document number 2019-047020, for purposes of the development and ~~Tenant will~~ construction on the Premises of the buildings (the "Building"), surface parking lot, and related site improvements as generally described in the plans approved pursuant to the Land Development Agreement (collectively, the "Project"). The Project and any future alterations, additions, replacements, or modifications to the Project during the Term (defined in Section 2.2) of this Lease are collectively referred to in this Lease as the "Improvements."

K. In order to facilitate the refinancing of certain obligations undertaken by RRM and Tenant as of the Original Closing Date, and in furtherance of the continued use and operation of the Premises and Improvements as contemplated by the Urban Renewal Plan and the Land Development Agreement, Landlord, RRM, and Tenant have agreed to release and terminate the Original Ground Lease and replace it in its entirety with a new ground lease (this “Lease”) by and between Landlord and Tenant on substantially identical terms and conditions as the Original Ground Lease, as set forth herein.

L. ~~Landlord intends to eventually lease the Phase II Premises to the Tenant or an affiliate under a separate ground lease for the redevelopment of such property upon the satisfaction of certain conditions precedent as set forth in the Land Development Agreement.~~

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Lease agree as follows:

Article 1
PREMISES

Landlord does hereby demise, lease, and let unto Tenant, and Tenant does hereby take and lease from Landlord, the Premises for the term and on the rents, conditions, and provisions herein.

Article 2
LEASE TERM

2.1 **Initial Term.** Starting on the Original Commencement Date, the Premises will be leased for a term of sixty (60) years (the "Initial Term"), unless earlier terminated pursuant to the terms of this Lease.

2.2 Extension Terms.

(a) First Extension. If Tenant is not then in default under the Lease, Tenant has the option to extend the Initial Term for an additional period of twenty (20) years (the "First Extension Term") by providing written notice thereof to Landlord no less than one-hundred eighty (180) days before the expiration of the Initial Term (the Initial Term, if and as extended by the First Extension Term, is referred to in this Lease as the "Term"). Upon exercise of this option to extend, the term of this Lease will be extended through the expiration date of the First Extension Term, on the same terms and conditions as contained in this Lease, except for Rent (which will be determined in accordance with Section 3.2 below).

(b) Second Extension. If at the end of the First Extension Term, Tenant is not then in default under the Lease, Tenant has the option to extend the First Extension Term for an additional period of nineteen (19) years (the "Second Extension Term") by providing written notice thereof to Landlord no less than one-hundred eighty (180) days before the expiration of the First Extension Term (the Initial Term, First Extension Term and Second Extension Term, if and as extended by the Extension Terms, is referred to in this Lease as the "Term"). Upon exercise of this second option to extend, the term of this Lease will be extended through the expiration date of the Second Extension Term, on the same terms and conditions as contained in this Lease, except for Rent (which will be determined in accordance with Section 3.2 below), and except that Tenant will no longer have an extension option.

Article 3
RENT

3.1 **Rent for Initial Term.** Tenant agrees to pay to Landlord annual rent in the amount of three percent (3%) of Appraised Value (as defined below) of the Property ("Rent") beginning on the first day of the first whole month that is eight (8) years after issuance of a certificate of occupancy by the City of Gresham for the Project (the "Rent Commencement Date"). The annual Rent due on the first anniversary of the Rent Commencement Date will be six percent (6%) of Appraised Value, and the Annual Rent payment so calculated shall increase

or decrease each year thereafter by any CPI adjustment described below, but in no event will annual Rent be decreased below six percent (6%) of Appraised Value.

(a) **CPI Adjustment.** Each annual Rent payment after the first anniversary of the Rent Commencement Date (each, an "Adjustment Date"), shall be increased or decreased based on the percentage increase or decrease, if any, in the Consumer Price Index (the "Index") published by the United States Department of Labor, Bureau of Labor Statistics. The increase or decrease will be computed by comparing the schedule entitled "U.S. City Average, All Items, All Urban Consumers, 1982-84=100" for the latest available month preceding the month in which the previous Adjustment Date occurred (or for the first Adjustment Date, the month preceding the first anniversary of the Rent Commencement Date), and the same month preceding the current Adjustment Date. All comparisons will be made using Index figures derived from the same base period. If the Index cited above is revised or discontinued during the Term, a replacement government index shall be used which will yield substantially the same result as the original Index.

(b) **Determination of Appraised Value.** For purposes of this Lease, "Appraised Value" shall mean the most probable cash sales price of the Premises, as bare land, without improvements or entitlements, on a per square foot of land area basis, determined as of one month prior to the Original Commencement Date~~ plus One Million and 00/100 Dollars ($1,000,000.00), which the parties agree represents the estimated value of Building Das of the Commencement Date~~. The following shall apply to the determination of Appraised Value:

(i) The Premises shall be valued (exclusive of the diminution in value resulting from the existence of this Lease) based on a competitive and open market under conditions requisite to a fair sale, considering the following factors: (a) the parties are motivated; (b) the parties are well informed or well advised and each party is acting according to what it considers to be its own best interests; (c) a reasonable time is allowed for exposure in the open market; (d) payment is made in cash in U.S. Dollars, or other comparable financial arrangement; (e) the price represents the normal consideration for the Premises unaffected by special or creative financing or concessions granted by any person associated with the transaction; (f) the Premises is clean and uncontaminated; (g) the Premises value is based on its highest and best legal use, subject to current zoning and land-use laws and regulations, and all liens, claims, and encumbrances of record; and (h) the amount of rent paid under current leases of comparable properties.

(ii) Six months prior to the Rent Commencement Date, the parties shall retain an Oregon licensed MAI appraiser to determine the Appraised Value. The appraiser selected must have a minimum of ten years' commercial property appraisal experience including experience in appraising commercial properties of the nature of the Premises within the Portland, Oregon metropolitan area. The parties will share (in equal amounts) the cost of the appraisal.

(iii) If the parties cannot agree on a qualified appraiser within fifteen (15) days, each party will have fifteen (15) days following that 15-day period to select, and independently pay for, a qualified appraiser to determine the Appraised Value. Each appraiser selected must complete its final appraisal report and deliver a copy to each party within sixty (60) days of its selection. If the appraised values determined by the appraisals differ by no more than ten (10) percent of the appraised value of the higher appraisal, then the Appraised Value is the average of both appraisals. If the appraised values of the appraisals differ by more than ten (10) percent of the appraised value of the higher appraisal, then within ten (10) days after the date the appraisals are compared, the appraisers must appoint a third qualified appraiser; provided, however, that if the appraisers fail to so select a third appraiser, a third qualified appraiser must be appointed at the request of either party by the presiding judge of the Circuit Court of Multnomah County, Oregon. The sole responsibility of the third appraiser is to determine which of the appraisals is most accurate, and the third appraiser has no right to propose a middle ground or modify either of the appraisals. The third appraiser's choice must be submitted to the parties within fifteen (15) days after the third appraiser receives copies of the appraisals, and the choice of the third appraiser is conclusively binding on the parties. The parties will share (in equal amounts) the cost of the third appraiser.

(c) **Abatement of Annual Rent.** Notwithstanding anything in this Article 3 to the contrary, the annual Rent owed under this Lease shall be reduced by the amount necessary for Tenant to maintain a Debt Coverage Ratio for the trailing 12-month period equal to or greater than 1.250. For purposes of this determination, the "Debt Coverage Ratio" shall be calculated as follows, and as further explained in Exhibit F attached hereto:

Adjusted Net Operating Income ("NOI~~i~~", as defined below), reduced by Capital Expenditures and Reserve Payments (excluding reserve payments for taxes and insurance as included in Operating Expenses), Operating Reserve (average one month Operating Expenses as incurred over the previous 12 months excluding mortgage interest, or one month mortgage interest, whichever is less), which sum shall be divided by the total sum of all principal and interest payments made on project financing during the preceding 12-month period.

For purposes of determining the Abatement of Annual Rent, NOI shall mean all Operating Income for the trailing twelve month period less Operating Expenses (including the current Rent due but excluding Rent paid for the prior year, mortgage interest, depreciation and amortization) for the same period. Income and Expenses will be determined on an accrual basis in accordance with GAAP. By way of example:

If the Rent payment is due on July 1, 2019 then the data from 7/1/2018 to 6/30/2019 would be used to determine the amount of Rent due on July 1, 2019. The current Rent due on July 1, 2019 shall be included in the calculation, but the prior year's Rent due on 7/1/2018 shall not be included.

If the Debt Coverage Ratio so determined is less than 1.250, the current Rent due and payable will be reduced by an amount necessary to increase the Debt Coverage Ratio to 1.250. The Rent amount (whether due in full or partially abated as necessary to maintain the DCR at 1.250) shall be due and payable in full on the due date.

In any year where the rent payment is either pro-rated or not payable under the DCR calculation, Tenant must fully disclose all payments made to related parties, affiliates, or subsidiaries. All payments made to related parties, affiliates, or subsidiaries shall not exceed fair and reasonable market rates as by determined by Landlord. If Landlord determines that a payment made by Tenant to a related party is unreasonable or otherwise not consistent with market rates for the same services offered by an unrelated party, Tenant shall provide supporting documentation affirming the reasonableness of such payment and consistency with market rates for the same services provided by unrelated third parties. Landlord may demand such payment be reduced to a competitive market rate for purposes the OCR calculation if it does not meet the reasonable and market rate test after reviewing supporting documentation.

In any year where the Tenant pays or requests to pay less than the full Rent, Landlord may require Tenant to submit independently reviewed annual income & operating expense reports for the previous 12-month period in order to validate that the OCR threshold for the rent abatement has been met.

The amount of any Rent reduction resulting from the above-described abatement of annual Rent shall be permanently abated and not carried forward to future lease years.

3.2 **Rent For Extension Term.** Rent for each year of the First and Second Extension Terms will continue to increase or decrease by an annual CPI adjustment in the manner described above.

3.3 **Payment of Rent.** Rent is payable in advance, commencing on the Rent Commencement Date and thereafter on the anniversary of the Rent Commencement Date throughout the Term, without notice or demand and without abatement, deduction or setoff except as otherwise provided in this Lease. Rent and all other amounts payable to Landlord under the terms of this Lease must be delivered to Landlord at its office, located at 1333 NW Eastman Parkway, Gresham, Oregon 97030, or at another place that Landlord may designate by notice to Tenant, in lawful money of the United States.

3.4 **Late Charge and Interest.** If Rent or any other amount payable by Tenant to Landlord is not paid within 10 days after written notice that it is past due, Landlord may charge Tenant a late charge of five percent (5%) of the amount due. The parties agree that the late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment. Collection of the late charge will not be considered a waiver of default nor of any other right or remedy. In addition, all delinquent amounts must bear interest at the rate of eight percent **(8%)** per annum or the highest rate permitted by law, whichever is lower (the "Default Rate"), from the date first due until the date paid in full.

3.5 **Net Lease.** This Lease is an absolute net lease, and it is intended that the rent provided for in this Lease will be an absolutely net return to Landlord throughout the Term. Tenant will be responsible for paying all costs and expenses relating to the Premises and the Improvements, including real and personal property taxes, utilities, maintenance, repairs, interior and exterior structural repairs, interior and exterior nonstructural repairs, insurance, and all other costs and expenses relating to the Premises and the Improvements. Without notice or demand and without abatement, deduction, or setoff except as may be otherwise provided in this Lease, Tenant is required to pay, as additional rent, all sums, impositions, costs, and other payments that Tenant assumes or agrees to pay in any provision of this Lease. If Tenant fails to make a payment, Landlord will have (in addition to all other rights and remedies) all the rights and remedies provided for in this Lease or by law for nonpayment of the Rent.

Article 4

~~BUILDING D FACILITY USE AGREEMENTS~~ RESERVED

~~4.1 **Facility Use Agreements.** Portions of Building Dare subject to the Facility Use Agreements listed below (the "Facility Use Agreements") and are occupied by tenants and subtenants pursuant to the Facility Use Agreements (Occupants):~~

~~(a) Facility Use Agreement between the GRDC and MicroEnterprise Services of Oregon (MESO), COG Contract No. 7064, dated June 20, 2107.~~

~~(b) Facility Use Agreement between the GRDC and MetroEast Community Media (MetroEast), COG Contract No. 6927, dated October 19, 2016, as amended by Amendment No. 1, dated June 19, 2017 (authorizing sublease to Mt Hood's Small Business Development Center).~~

~~(c) Facility Use Agreement between the GRDC and Portland Opportunity Industrialization Center+ Rosemary Anderson High school (POIC + RAHS), COG Contract No. 7120, dated September 19, 2017.~~

~~4.2 **Assignment and Assumption.** Landlord assigns to Tenant and Tenant assumes from Landlord the rights and obligations of the GRDC under the Facility Use Agreements to the extent accruing on and after the Commencement Date of the Lease, except as otherwise expressly set forth herein.~~

~~4.3 **Maintenance and Repairs.** During the term of the Facility Use Agreements, Tenant shall be responsible the obligations of the GRDC set forth in the Facility Use Agreements except that: (a) Landlord shall remain responsible for providing any furniture, fixtures, equipment, computers, printers and the like required of the GRDC under the Facility Use Agreements, (b) Landlord shall have the right to monitor the occupants' activity for compliance with permitted use provisions of the Facility Use Agreements, and (c) Landlord shall either pay directly or, if paid by Tenant, reimburse Tenant within thirty (30) days of written demand accompanied by reasonable supporting information, the cost of any janitorial services, trash collection services, utilities, and reasonably necessary maintenance and repairs performed or provided by Tenant pursuant to the Facility Use Agreements. Notwithstanding the above,~~

~~Landlord shall not be required to pay or reimburse the cost of upgrades to building shell or systems beyond the existing capacity of such shell or system.~~

~~4.4 **Termination of Facility Use Agreements.** Each of the Facility Use Agreements is terminable on either 30 or 60 days' notice, depending on the terms of each individual Facility Use Agreement. Tenant shall not terminate any of the Facility Use Agreements without Landlord's prior written consent, which shall not be unreasonably withheld, except as expressly permitted under this paragraph. Tenant shall have the right to terminate the Facility Use Agreements when Tenant has executed a sublease with a subtenant that will occupy all or a substantial portion of Building D; provided, however, unless the Occupant under the Facility Use Agreement agrees otherwise in writing, (i) the effective date of such termination shall not be earlier than 180 days prior to the anticipated commencement date set forth in the sublease with the new subtenant, and (ii) Tenant shall provide Landlord and the Occupant at least 30 or 60 days' prior written notice of the termination (depending on the terms of the particular Facility Use Agreement) and shall use commercially reasonable efforts to give even more advance notice~~

~~4.1 . if possible. If space in Building A will not be available to accommodate the Occupants as of the effective date of the Facility Use Agreement terminations, Tenant will assist Landlord and the Occupants in endeavoring to identify a replacement location for such Occupants reasonably satisfactory to Landlord and such Occupants.~~

Article 5
USE AND COMPLIANCE WITH LEGAL REQUIREMENTS

5.1 **Permitted Use.** Tenant will use and occupy the Premises during the Term for the marketing, development, construction, and operation of the Project in compliance with the Lease covenants and with all applicable Legal Requirements (as defined in Section 5.2 below).

5.2 **Compliance with Legal Requirements.** Tenant will observe and comply with all Legal Requirements that may apply to the Premises, or to the use or manner of uses of the Premises, or the improvements or the owners or users of the Improvements, whether or not the Legal Requirements affect the interior or exterior of the Improvements, necessitate structural changes or improvements, or interfere with the use and enjoyment of the Premises or the Improvements, and whether or not compliance with the Legal Requirements is required by reason of any condition, event, or circumstance existing before or after the Term commences. Tenant will pay all costs of compliance with Legal Requirements.

"Legal Requirements" means all applicable present and future laws, ordinances, orders, rules, regulations, codes, and requirements of all federal, state, and municipal governments, departments, commissions, boards, and officers, that now or hereafter apply to the Premises, the Improvements, or any component hereof or y activity conducted thereon, including but not limited to those pertaining to Environmental Laws and the use and storage of Hazardous Substances (as these terms are defined below) and, if applicable Treasury Regulations § 1.45D-1 (d)(5)(iii)(B). With respect to the City of Gresham and any agency, department, commission, board, or officer thereof including GRDC, "Legal Requirements" shall mean only those requirements imposed in its governmental capacity and not in its capacity as landlord under this Lease, including, but not limited to, any recorded Landscape Maintenance Agreement and/or

storm water management agreement required by the City as a condition of approval of the Project.

"Environmental Laws" means all present or future federal, state, and local laws or regulations related to the protection of health or the environment, including the Resource Conservation and Recovery Act of 1976 (RCRA) (42 USC§ 6901 *et seq.),* the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 USC§ 9601 *et seq.),* the Toxic Substances Control Act (15 USC§ 2601 *et seq.),* the Federal Water Pollution Control Act (the Clean Water Act) (33 USC § 1251 *et seq.),* the Clean Air Act (42 USC § 7401 *et seq.),* amendments to the foregoing, and any rules and regulations promulgated thereunder.

"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 Environmental Laws.

5.3 **Right to Contest.** Tenant will have the right, with prior written notice to Landlord, to contest by appropriate legal proceedings, diligently conducted in good faith, in the name of Tenant, without cost or expense to Landlord, the validity or application of any Legal Requirement subject to the following: (a) if, by the terms of any Legal Requirement, compliance may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge, or liability of any kind against all or any part of the Premises or the Improvements and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure to comply, Tenant may delay compliance until the final determination of the proceeding; or (b) if any lien, charge, or civil liability would be incurred by reason of any such delay, Tenant nevertheless may contest the matter and delay compliance as long as the delay would not subject Landlord to criminal liability or fine, and Tenant furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of the contest or delay, and prosecutes the contest with due diligence. Landlord will execute and deliver any appropriate papers that may be necessary or proper to permit Tenant to contest the validity or application of any Legal Requirement as long as Tenant has satisfied all the requirements of this Section and Landlord will incur no cost or material risk of penalty or enforcement action.

5.4 **Prohibited Uses.** Tenant will not use or occupy the Premises or the Improvements, or permit or suffer all or any part of the Premises or the Improvements to be used or occupied: (a) for any unlawful or illegal business, use, or purpose, including any illegal gambling; (b) in any manner so as to constitute a public nuisance of any kind; (c) for any purpose or in any way in violation of the certificate of occupancy, or of any Legal Requirements, including Legal Requirements respecting Hazardous Substances; or (d) for any business, use, or purpose generally deemed disreputable, including, but not limited to, adult businesses. Additionally, Tenant shall not permit all or any part of the Project or the Improvements to be used or occupied for any of the following uses without Landlord's prior written consent: (i) businesses involving the production, processing, handling, sale, or use of marijuana or marijuana-based products; (ii) nail or tanning salons, (iii) massage parlors, (iv) stores the principal business of which is the sale of alcoholic beverages for off-premises consumption (which restriction does not prohibit grocery, convenience store, or similar retailers that may sell

alcohol), (v) casinos or other facilities used for gambling; (vi) motor vehicle sales, servicing, or repair; (vii) self-serve storage, other than for businesses leasing retail or restaurant space in the Project or nearby properties; (viii) heavy industrial uses; (ix) drive-through businesses; and (x) businesses that exclude minors from the entire premises at all hours of the day. Upon request, Landlord will consider in good faith any changes to the foregoing restrictions proposed by Tenant to reflect changes in Landlord or City policy or prevailing community standards. Landlord may institute legal action to void any lease entered into contrary to these provisions. In the event New Markets Tax Credits (NMTC) are used to finance any portion of the Project, any uses prohibited by Treasury Regulations § 1.450-1(d)(5)(iii)(B), as amended, shall also be excluded uses during the tax credit compliance period.

5.5 **Changes to Type of Use.** During the first twenty (20) years of the Lease Term, any change in the type of use of any material part of Premises shall require the prior written approval of Landlord. For purposes of this provision, "change in the type of use" shall mean (i) a change from retail use to office use or residential use, (ii) a change from office or medical use to retail use or residential use, or (iii) a change from parking use to another type of use.

5.6 **No Waste.** Tenant will not cause or permit any waste of the Premises or the Improvements and, except as otherwise permitted under this Lease, will promptly repair any damage, disfigurement, or injury to the Premises or the Improvements. Additionally, Tenant will have the right to demolish and remove any and all the Improvements on the Premises pursuant to and in accordance with the terms of Article 6 below.

5.7 **Compliance with Lottery Agreement.**

(a) Throughout the period such operation is required under the Lottery Agreement, which in no event shall be longer than 20 years, Tenant shall continue to operate the Innovation Center. For so long as the Lottery Agreement applies to the Premises, Landlord shall (i) timely comply with all of its obligations under the Lottery Agreement, and (ii) promptly provide Tenant with written notice of any known, suspected or alleged breach of the Lottery Agreement. If Landlord conveys the Property owned by Landlord to any third party while any obligation of Landlord or Tenant under the Lottery Agreement remains outstanding, Grantee will at the same time assign, and cause the transferee to assume, Grantee's rights and obligations under the Lottery Agreement.

(b) Notwithstanding anything in this Lease to the contrary, except to the extent such breach of the Lottery Agreement is directly caused by a breach of this Lease by Tenant, Landlord shall be solely responsible for and, to the fullest extent allowed by law, Landlord shall defend, indemnify, save and hold harmless and release the Tenant, its affiliates and lenders, and their respective officers, directors, members, managers, employees, and agents for, from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and reasonable attorneys' fees and expenses at trial, on appeal and in connection with any petition for review, arising out of or relating to any breach of the Lottery Agreement, the tax-exempt status of the Bonds described in the Lottery Agreement, including without limitation, any expenses incurred or amounts paid in connection with an inquiry,

investigation, audit or similar proceeding by BOLI, the Internal Revenue Service, the Securities and Exchange Commission, Municipal Securities Rulemaking Board and any other federal, state, governmental or quasi-governmental body with regulatory jurisdiction over the Bonds, as such term is defined in the Lottery Agreement. Tenant shall defend, indemnify, save and hold harmless and release Landlord for, from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards, including costs, expenses, and reasonable attorneys' fees and expenses at trial, on appeal and in connection with any petition for review, arising out of or relating to any breach of the Lottery Agreement to the extent such breach of the Lottery Agreement is directly caused by breach of this Lease by Tenant.

5.8 **Annual Meeting Between Landlord and Tenant.** After issuance of the Certificate of Completion, Landlord and Tenant shall cause their representatives to meet annually during the first week of October, or as soon thereafter as reasonably practicable to discuss the Project and their respective thoughts and non-binding input regarding current and potential future leasing of space in the Project and potential alterations or improvements to the Project, the Improvements or the Premises, if any.

Article 6
PROJECT AND IMPROVEMENTS

6.1 **Construction, Modification, and Demolition of the Project and Improvements.** After Tenant's completion of the initial Improvements pursuant to the LDA, Tenant may, at any time and from time to time during the Term, at its cost and expense, construct, modify, demolish and rebuild the Project or Improvements on the Premises, except as follows.

(a) Tenant may not construct or demolish, or make material modifications to the exterior or structural components of the Project or Improvements on the Premises without the prior written consent of Landlord (excluding signage, exterior fixtures and street furniture, commercial storefronts, and landscaping, none of which shall require Landlord approval);

(b) Notwithstanding subsection (a), which provides that modifications to the commercial storefronts do not require Landlord approval, if Tenant desires to make material modifications to any commercial storefront, Tenant will furnish Landlord with proposed plans for such work and Landlord will have thirty (30) days after receipt of such plans and specifications in which to solicit from stakeholders and provide non-binding input regarding the proposed changes. Subtenant signage, relocation of doors, or substitution of a different type of door shall not be considered a material modification.

(c) If Tenant desires to construct, demolish, or modify the exterior or structural components of the Project or any Improvement and Landlord's approval is required pursuant to the foregoing subsection (a), Tenant will furnish Landlord with proposed plans and specifications for such work and Landlord will have sixty (60) days after receipt of such plans and specifications to either approve the plans and specifications or provide Tenant with reasonable comments on the plans and

specifications; provided, however, Landlord's approval will be deemed given if Landlord fails to respond to Tenant's submittal or resubmittal within sixty (60) days. Tenant will address any reasonable comments so received from Landlord and submit revised plans and specifications to Landlord for approval. For any submission of revised plans and specifications, Landlord will have fifteen (15) days after receipt of such plans and specifications to either approve the revised plans and specifications or provide Tenant with any further reasonable comments Landlord may have on the revised plans and specifications; provided, however, Landlord's approval will be deemed given if Landlord fails to respond to Tenant's submittal or resubmittal within fifteen (15) days. The parties shall continue in such fashion until they have reached agreement on the proposed construction, demolition or modification;

(d) Upon completion of or modification to the Building, any portion of the Project or any Improvement, Tenant will provide Landlord with as-built plans for the completed work within thirty (30) days of receipt of Certificate of Occupancy of the completed Improvements or modifications.

6.2 **Title to the Project and Improvements.** Title to the Project and all Improvements constructed by Tenant will be and will remain in Tenant during the Tenn of the Lease. Title to Building D (including any alterations or improvements thereto) will remain in Landlord during the Term of the Lease. During the Tenn, Tenant is entitled, for all taxation purposes, to claim cost-recovery deductions and the like on the Project and all Improvements constructed by Tenant. At the expiration or earlier termination of the Lease, title to the Project and any Improvements remaining on the Premises that are not already owned by Landlord will automatically pass to, vest in, and belong to Landlord without further action on the part of either party and without cost or charge to Landlord.

6.3 **Notice of Construction.** After completion of the initial Improvements constructed pursuant to the LOA, Tenant agrees to notify Landlord in writing of Tenant's intention to commence construction of any other Improvements or modifications expected to cost more than $50,000 at least fifteen (15) days before commencement of any such work or delivery of any materials. The notice must specify the approximate location and nature of the intended Improvements, and the anticipated date that work will be commenced. Landlord will have the right at any time and from time to time to post and maintain on the Premises notices of nonresponsibility and such other notices as Landlord deems necessary to protect Landlord's interest in the Premises and the Improvements from the liens of mechanics, laborers, materialmen, suppliers, or vendors; and Landlord will have the right to inspect the Premises and the Improvements in relation to the construction at all reasonable times.

6.4 **Landlord Cooperation.** Landlord agrees to cooperate with Tenant in all respects in connection with Tenant's construction of the approved Project and any Improvements constructed in accordance with this Lease, including but not limited to, executing the applications and other instruments reasonably necessary for construction of the Project and/or Improvements. Except as provided in the LOA in connection with construction of the initial Improvements, Landlord will not be required to pay any application fees or incur any other costs or liabilities in connection with the Project or Improvements beyond Landlord's fees for any professional advice Landlord desires. Landlord will appear as a witness in any legal or

administrative proceedings to the extent reasonably necessary to construct the Project or Improvements.

6.5 **Easements and Dedications.** Tenant and Landlord each recognize that in order to provide for the development of the Premises, it may be necessary, desirable, or required that street, water, sewer, drainage, gas, power line, and other easements and dedications and similar rights be granted or dedicated over or within portions of the Premises. Landlord agrees that it will, upon request of Tenant, join with Tenant in executing and delivering such documents, from time to time, and throughout the Term of this Lease as may be appropriate, necessary, or required by any governmental agency or public utility company for the purpose of granting such easements and dedications.

Article 7
TAXES AND UTILITIES

7.1 **Taxes Defined.** As used in this Lease, the terms "Tax" and "Taxes" mean any and all taxes, service payments in lieu of taxes, general or special assessments, excise taxes, transit charges, utility assessments, and any and all charges, levies, fees, or costs, general or special, ordinary or extraordinary, of any kind that are levied or at the direction of laws, rules, or regulations of any federal, state, or local authority on the Premises, the Project or the Improvements, or based on or otherwise in connection with the use, occupancy, or operations of the Premises, the Project or the Improvements, or with respect to services or utilities in connection with the use, occupancy, or operations of the Premises, the Project or the Improvements, or on Tenant with respect to its subleasing of the Premises, the Project or the Improvements, or on any act of subleasing space in the Project or Improvements, or in connection with the business of subleasing space in the Project or Improvements, including any tax on sublease rents, whether direct or as part of any "gross receipts" tax, and whether or not in lieu of, in whole or in part, ad valorem property taxes. Taxes will include, but not be limited to, state and local real property taxes, levies, and assessments, and except as set forth below, any other governmental impositions and governmental charges relating to the Premises, the Project, or the Improvements, including, but not limited to, any road-user or transportation-system-maintenance fee and any charges or fees measured by trip generation or length, parking spaces, impervious surfaces, buildings, vehicle usage, or similar bases for measurement.

Notwithstanding the foregoing, nothing in this Section or this Lease requires Tenant to pay any franchise, estate, inheritance, succession, capital levy, or transfer tax assessed to Landlord, or any income, excess profits, or revenue tax, or any other tax, assessment, charge, or levy on the Rent payable by Tenant under this Lease, all of which shall be the sole responsibility of Landlord and all of which Landlord shall pay before delinquency; provided, however, that if at any time during the Term the methods of taxation prevailing at the commencement of the Term are altered so that in lieu of any Tax under this Section there is levied, assessed, or imposed a tax, assessment, levy, imposition, or charge, wholly or partially as a capital license fee measured by the Rent payable by Tenant under this Lease, then all such taxes, assessments, levies, impositions, or charges or the part so measured or based, shall be deemed to be included within the term "Tax" for the purposes of this Lease, to the extent that such Tax would be payable if the Premises were the only property of Landlord subject to such Tax, and Tenant shall pay and discharge the same as provided in respect to the payment of Taxes.

7.2 **Payment of Taxes.** Throughout the Term, Tenant will pay all Taxes as they become due. If by law any Tax is payable, or may at the option of the taxpayer be paid, in installments, Tenant may pay the same in installments as each installment becomes due and payable, but in any event must do so before any fine, penalty, interest, or cost may be added for nonpayment of any installment or interest.

7.3 **Contesting Taxes.** If Tenant in good faith desires to contest the validity or the amount of any Tax, Tenant will be permitted to do so by giving to Landlord written notice thereof before commencement of such contest. Landlord will, at Tenant's expense (including reimbursement of attorney fees reasonably incurred by Landlord), cooperate with Tenant in any such contest to the extent that Tenant may reasonably request, but Landlord will not be subject to any liability for the payment of any costs or expenses in connection with any proceeding brought by Tenant, and Tenant will indemnify and save Landlord harmless from any such costs or expenses. Any rebates on account of the Taxes required to be paid and paid by Tenant under the provisions of this Lease will belong to Tenant, except that to the extent any rebates or refunds are related to a period of time in which this Lease is not in effect (either before commencement or after expiration or termination), the portion of the rebate attributable to such time will be returned to Landlord to the extent previously paid by Landlord. Any contest as to the validity or amount of any Tax, or assessed valuation on which the Tax was computed or based, whether before or after payment, may be made by Tenant in the name of Landlord or of Tenant, or both, as Tenant will determine.

7.4 **Evidence of Payment.** Promptly after payment, Tenant will provide Landlord with evidence reasonably satisfactory to Landlord that all Taxes required to be paid by Tenant have been paid.

7.5 **Personal-Property Taxes.** Tenant must pay before delinquency all taxes assessed against and levied on improvements, fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Premises or the Project, and when possible Tenant must cause said improvements, fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real property of Landlord.

7.6 **Utilities and Services.** Tenant will pay, directly to the appropriate supplier, for all water, sanitary sewer, storm sewer, gas, electric, telephone, cable, garbage pickup, and all other utilities and services used by Tenant on the Premises or at the Project as they become due, together with any taxes thereon, from and after the Commencement Date. Landlord will not be in default hereunder nor be liable in damages or otherwise for any failure or interruption of any utility or other service being furnished to the Premises or the Project, and no such failure or interruption will entitle Tenant to terminate this Lease or to abate payment of any portion of Rent due hereunder.

Article 8
INSURANCE

8.1 **Property Insurance.** Tenant, at its cost and expense, will keep all Improvements insured against loss or damage by property insurance written on the standard Insurance Services Office (ISO) "special-form" policy, or its nearest equivalent in use at the time. Tenant will obtain

endorsements to its special-form policy to maintain the following types of coverage to the extent required by Landlord and available at commercially reasonable rates: (a) flood, (b) earthquake, (c) business interruption, (d) indirect loss, (e) boiler and machinery perils, and (f) ordinance and law. The property insurance must cover the full replacement value of the Project and Improvements (excluding foundation and excavation cost), less a deductible not to exceed $25,000. The property insurance shall provide that all losses are payable to Landlord and Tenant as their interests may appear; provided, however, if the Innovation Center or any portion thereof is destroyed and if either Tenant or Landlord does not provide written notice to DAS that the insurance proceeds payable to Tenant of Landlord, as the case may be, will be used to rebuild the Innovation Center, then, if required under the Lottery Agreement, such party's insurance proceeds shall be paid to the State to the extent necessary to call or defease the portion of the then outstanding Bonds relating to the Project described in the Lottery Agreement (including all undefeased allocable costs of issuance). Any loss adjustment must require written consent of both parties, which will not be unreasonably withheld, conditioned, or delayed. The amount of the insurance policy will be increased from time to time as the full replacement value of the Improvements increases.

8.2 **Liability Insurance.** Tenant, at its cost and expense, will maintain commercial general liability insurance covering the Premises, the Improvements, and the conduct or operation of its business with limits of loss of at least $2 million combined single-limit coverage for personal injury and property damage. The insurance policy must be primary to any insurance available to Landlord, contain a severability-of-interest or cross-liability clause, include contractual-liability coverage for Tenant's indemnification obligations contained in this Lease, and name Landlord as an additional insured. Landlord has the right from time to time to increase the amount of liability insurance required under this Lease based on then-current market conditions for properties comparable to the Premises.

8.3 **Additional Requirements.** Tenant's insurance carriers must be reputable insurance companies reasonably acceptable to Landlord, licensed to do business in the State of Oregon, and have a minimum A-VIII rating as determined by the then-current edition of *Best's Insurance Reports* published by AM. Best Co. Tenant will provide Landlord with certificates of insurance concurrently with the execution of this Lease and upon each renewal thereafter to establish that Tenant's insurance obligations have been met and that the policies are not subject to cancellation or material change without at least thirty (30) days advance written notice to Landlord; provided, however, that Landlord reserves the right to inspect and require full copies of all insurance policies to be provided to Landlord.

Article 9
RELEASE AND INDEMNIFICATION

9.1 **Release.** Tenant is and will be in exclusive control of the Premises, the Project and the Improvements, and Landlord will not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises, the Project or the Improvements, or any injury or damage to the Premises, the Project or the Improvements or to any property, whether belonging to Tenant or to any other person, caused by any fire, breakage, leakage, defect, or bad condition on any part of the Premises, the Project or the Improvements, or from steam, gas, electricity, water, rain, or snow that may leak into, issue, or

flow from any part of the Premises, the Project or the Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or because of the use, misuse, or abuse of all or any of the Improvements, or from any kind of injury that may arise from any other cause whatsoever on the Premises, the Project or in or on the Improvements, including defects in construction of the Project or the Improvements, latent or otherwise; and Tenant hereby releases Landlord from and against any and all liabilities resulting from any such injuries and damages. Notwithstanding anything in this Section to the contrary, Landlord acknowledges that it remains responsible for liability to any third party to the extent that the liability arises from Landlord's negligence or willful misconduct.

9.2 **Indemnification.** Except to the extent caused by the gross negligence or willful misconduct of Landlord and except with respect to any obligations of Landlord under the LOA or breach by Landlord of its obligations under the **LOA,** Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, and expenses (including, without limitation, reasonable attorney fees, expert witness fees, and costs at trial and on appeal; environmental response and remedial costs; environmental consultant and laboratory fees; and natural resource damages) that may be imposed on or incurred by or asserted against Landlord by reason of any of the following occurrences during the Term.

(a) Any work or thing done in or on any part of the Premises, the Project or the Improvements by Tenant, its agents, contractors, servants, employees, subtenants, licensees or invitees;

(b) Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises, the Project or the Improvements by Tenant, its agents, contractors, servants, employees, subtenants, licensees or invitees;

(c) Any negligence in or on or with respect to the Premises, the Project or the Improvements on the part of Tenant or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees;

(d) Any accident, injury, or damage to any person or property occurring in or on the Premises, the Project or the Improvements, even if caused in part by the negligence of Landlord, but only up to the limits of Tenant's liability insurance coverage with respect to any such negligence of Landlord; and

(e) Any failure of Tenant to comply with or to perform any covenant, agreement, term, provision, condition, or limitation that this Lease requires Tenant to comply with or to perform, including without limitation Tenant's compliance with the Legal Requirements, Liens, and the release of Hazardous Substances in violation of Environmental Laws.

Article 10
LIENS

10.1 **No Liens.** Tenant will not suffer or permit any construction liens to attach to or be filed against any part the Premises, the Project or the Improvements by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Tenant or any person occupying or holding an interest in any part of the Premises, the Project or the Improvements. If any such lien is filed against any portion of the Premises, the Project or the Improvements, Tenant will cause the same to be discharged of record within fifteen (15) days after the date of its filing by payment, deposit, or bond.

10.2 **Landlord Right to Post Notices.** Landlord will have the right to post and keep posted at all reasonable times on the Premises, the Project and the Improvements notices of nonresponsibility and any other notices that Landlord desires or is required to post for the protection of Landlord's interest in the Premises, the Project and the Improvements from any such lien.

10.3 **No Right to Lien Landlord's Interest.** Nothing in this Lease may be deemed to be, or be construed in any way as constituting, the consent or request of Landlord, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises, the Project or to the Improvements, or as giving Tenant any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Landlord's interest in the Premises, the Project or against Landlord's interest, if any, in the Project or the Improvements. Tenant is not an agent for Landlord.

Article 11
REPAIRS AND MAINTENANCE

11.1 **Tenant Obligation.** Except as otherwise provided in this Lease, Tenant must maintain, repair and replace the Premises, the Project and the Improvements as and when needed so as to keep them in a clean and attractive condition, and in good condition and repair, throughout the entire Term. Tenant's obligations extend to both structural and nonstructural items and to all maintenance, repair, and replacement work.

11.2 **Landlord Obligation.** Landlord is not required to furnish to Tenant, the Premises, the Project or the Improvements any facilities, utilities, or services of any kind whatsoever during the Term, such as, but not limited to, water, sanitary sewer, storm sewer, gas, electric, telephone, cable, garbage pickup, or any other utilities or services used by Tenant, except to the extent, if at all, that Landlord would be required to provide such utilities or services to the Premises other than in its capacity as Landlord. Landlord is not required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs to any portion of the Premises, the Project or the Improvements during the Term.

11.3 **Limited Assignment of Rights.** Landlord assigns to Tenant, without recourse, any rights that Landlord may have against any parties causing damage to the Project or the

Improvements on the Premises to sue for and recover amounts expended by Tenant as a result of the damage.

Article 12
SIGNAGE

Tenant is permitted to install signage on the Premises, the Project and the Improvements as long as Tenant complies with all applicable Legal Requirements.

Article 13
INSPECTION AND ACCESS

Tenant will permit Landlord or its authorized representative to enter the Premises, the Project and the Improvements at all reasonable times during normal business hours, accompanied by a representative of Tenant and subject to any reasonable restrictions in applicable subleases, for purposes of inspecting them for compliance with the terms of this Lease and making any repairs or performing any work that Tenant has neglected or refused to make in accordance with the terms of this Lease. Nothing in this Lease implies any duty or obligation, however, on Landlord's part to make such inspections or perform such work (including, but not limited to, repairs and other restoration work made necessary because of any fire or other casualty or partial condemnation, irrespective of the sufficiency or availability of any property or other insurance proceeds, or any award in condemnation, that may be payable). Landlord's performance of any work will not constitute a waiver of Tenant's default in failing to perform the same. Except for emergency repairs, all entry into the Premises, the Project, or the Improvements shall require at least 24 hours' advance written notice to Tenant. In the event of any emergency repairs, Landlord shall use reasonable efforts to give Tenant the earliest possible notice of the same.

Article 14
DAMAGE AND DESTRUCTION

If any portion of the Project or Improvements on the Premises are damaged or destroyed by fire or other casualty, Rent will not abate, and Tenant must promptly restore the damaged portion of the Project or Improvements to substantially the same condition existing before the casualty. Except as otherwise required by any Permitted Leasehold Mortgagee, the proceeds available from Tenant's property insurance policy (the "Proceeds") must be used for such restoration. If the Proceeds are not sufficient for Tenant to restore the damaged portion of the Project or Improvements, Tenant must pay the difference.

Unless the Proceeds will be held by any Permitted Leasehold Mortgagee, should the Proceeds equal more than ten percent (10%) of the replacement cost of the damaged portion of the Project or Improvements or $250,000, whichever is greater, then all Proceeds will be paid to an escrow agent (the "Trustee") selected by Tenant (subject to the reasonable approval of Landlord) as trustee for the parties and disbursed as provided below. If the Proceeds are less than such amount, then the Proceeds will be delivered to Tenant. The Trustee will pay or reimburse Tenant from the Proceeds for the cost of restoring the damaged portion of the Project or Improvements on satisfactory proof of expenditure by Tenant, satisfactory evidence of sufficient

progress on the work, and satisfactory evidence of sufficient funds available to complete restoration. The Trustee will not be liable to the parties except in the event of negligence or fraud. The Trustee will be entitled to deduct a customary and reasonable charge for its services.

If Tenant fails to file a claim or proof of loss with its property insurance carrier within fifteen (15) days after the casualty, Landlord may file such claim or proof of loss on behalf of Tenant after providing Tenant with written notice of its intention to do so. Any dispute regarding the distribution or use of the Proceeds will be resolved pursuant to Section 15.5.

Notwithstanding the foregoing to the contrary, if the casualty occurs during the last three years of the Term and the Project or the Improvements are damaged to the extent of thirty-five percent (35%) or more of the total replacement cost of the Project and all Improvements on the Premises (exclusive of foundations), then either Landlord or Tenant may terminate this Lease by providing written notice thereof to the other party within ninety (90) days after the date of the casualty; provided, however, that if Landlord elects to terminate the Lease under this Section but Tenant has the right to extend the Term of this Lease under Section 2.2, then Tenant may elect to exercise its extension right within thirty (30) days after receiving notice of Landlord's election to terminate the Lease, in which case Landlord's notice of termination is void, the Term is extended as provided in Section 2.2 and Tenant must perform its restoration obligation as provided above. Upon the exercise of the option to terminate this Lease by either party hereto (unless Tenant vitiates Landlord's termination of the Lease by extending the Term as provided above), this Lease will terminate upon Tenant (a) removing all damaged portion of the Premises or Improvements (including foundations) and leaving the Premises in a clean, attractive, and safe condition, and (b) delivering the balance of the Proceeds to Landlord.

Article 15
CONDEMNATION

15.1 **Total Taking.** If all the Premises and the Improvements are taken or condemned by right of eminent domain or by purchase in lieu of condemnation (a "Taking"), or if in Tenant's reasonable judgment the Taking of any portion of the Premises or the Improvements renders the portion remaining insufficient and unsuitable to permit the restoration of the Improvements following the Taking, then Tenant may terminate this Lease by providing written notice thereof to Landlord within ninety (90) days after Tenant is notified of the Taking, in which case the Lease will cease and terminate (except those provisions intended to survive the expiration or termination of the Lease) as of the date on which the condemning authority takes possession (any Taking in this Section being called a "Total Taking") and the Rent will be apportioned and paid to the date of the Total Taking.

15.2 **Award for Total Taking.** If this Lease terminates as a result of a Total Taking, the rights and interests of the parties will be determined as follows:

(a) The total award or awards for the Total Taking will be apportioned as follows:

(i) Landlord will have the right to receive directly from the condemning authority, in its entirety and not subject to any trust, a portion of the

award that is defined and referred to as the Land Award (as defined below), and neither Tenant nor any Permitted Leasehold Mortgagee will be entitled to receive any part of the Land Award. The term "Land Award" means that portion of the award in the condemnation proceeding that represents the fair market value of the Premises, which should be considered as vacant, unimproved but encumbered by this Lease; the consequential damage to any part of the Premises that may not be taken; the diminution of the assemblage or plottage value of the Premises not so taken; and all other elements and factors of damage to the Premises; but in all events the damage or valuation will take into consideration that the Premises are encumbered by this Lease.

(ii) Tenant will have the right to receive directly from the condemning authority that portion of the award referred to as the Leasehold Award (as defined below), subject, however, to the rights of any Permitted Leasehold Mortgagee. The term "Leasehold Award" means that portion of the award in the condemnation proceeding that represents the fair market value of Tenant's interest in the Improvements and the fair market value of Tenant's leasehold estate as so taken and, if this Lease is not terminated as a result of the Taking, the consequential damages to any part of the Improvements.

(iii) It is the intent of the parties that the Land Award and the Leasehold Award will equal the total amount of the awards respecting the Total Taking.

(b) If a court or another lawful authority that is authorized to fix and determine the awards fails to fix and determine, separately and apart, the Land Award and the Leasehold Award, the awards will be determined and fixed by written agreement mutually entered into by and among Landlord, Tenant, and First Leasehold Mortgagee, if any, and if an agreement is not reached within thirty (30) days after the judgment is entered in the proceeding, the controversy will be resolved in the same court in which the condemnation action is brought, in any proceedings that are appropriate for adjudicating the controversy. If the total amount awarded is less than the combined amount of the Land Award and the Leasehold Award as determined in such proceedings, the Land Award and Leasehold Award shall each be reduced pro rata so that combined they equal the total award.

(c) Notwithstanding the foregoing, if the Innovation Center or any portion is condemned, then, if and to the extent required under the Lottery Agreement, the Landlord Award and the Tenant Award shall be paid in equal amounts to the State to the extent of the amount necessary to call or defease the portion of the then outstanding Bonds relating to the Project described in the Lottery Agreement (including all undefeased allocable costs of issuance.

15.3 **Partial Taking and Award for Partial Taking.** If, during the Term, there is a Taking of the Premises or the Improvements, but the Taking is not a Total Taking and not a temporary taking of the kind described in Section 15.4, or if a change occurs in the grade of the streets or avenues on which the Premises abuts, this Lease will not terminate but will remain in

full force and effect with respect to the portion of the Premises and the Improvements not taken (any Taking or change of grade of the kind described in this Section being referred to as a "Partial Taking"), and in that event the total award or awards for the taking will be apportioned and paid in the same manner provided above for a Total Taking.

15.4 **Temporary Taking.** If there is a Taking of all or a part of the Premises or the Improvements for temporary use, this Lease will continue without change, as between Landlord and Tenant, and Tenant will be entitled to the entire award made for that use. Tenant will also have the right to file and prosecute any claim against the condemnor for damages, and to recover the same, for any negligent use, waste, or injury to the Premises or the Improvements throughout the balance of the then-current Term. The amount of damages so recovered will belong to Tenant.

15.5 **Dispute Resolution.** In the event of any dispute between Tenant and Landlord regarding any issue of fact arising out of a Taking mentioned in this Article, the dispute will be resolved by the same court in which the condemnation action is brought, in any proceedings that are appropriate for adjudicating the dispute.

Article 16
ASSIGNMENT AND SUBLETTING

16.1 **Restrictions on Transfer Generally.** Tenant's sale, assignment, or transfer of this Lease or any interest therein (voluntarily or by operation of law), Tenant's sublease of the Premises or any part thereof, or Tenant's grant of any right to use the Premises, the Improvements, or any respective part thereof are each referred to in this Lease as a "Transfer." To the extent Landlord's consent is required under this Lease, Landlord must not unreasonably withhold, condition or delay consent to any Transfer except as otherwise expressly provided in this Article. Any attempted Transfer requiring Landlord's prior written consent made without such prior written consent will be void. Upon any Transfer of all of Tenant's interest in the Lease and the Improvements (and provided Landlord's written consent has been obtained, if required under this Lease), Tenant and any guarantor shall be automatically released from their respective liabilities or obligations under this Lease or any guaranty of this Lease to the extent such obligations accrue on or after the effective date of the Transfer. No Transfer shall relieve Tenant from the requirement of obtaining Landlord's prior written consent to any further Transfers to the extent Landlord consent to the extent such further Transfers is required under this Lease. Landlord's acceptance of Rent from any other person will not be deemed to be a waiver by Landlord of any provision of this Lease or consent to any Transfer. If Tenant is a corporation, partnership, limited liability company, or other entity or unincorporated association, then any Transfer of this Lease by merger, consolidation, or liquidation will constitute a Transfer for the purposes of this Article.

16.2 **Restrictions on Transfer Prior to Issuance of Certificate of Completion.** Because Landlord is a municipal entity, Landlord is uniquely benefited by completion of the Project. Tenant as a developer is uniquely qualified to construct and manage the Project. The anti-assignment provisions of this Article 16 are reasonable and necessary to provide to each Party the benefit of the transaction implemented through this Lease.

(a) Except as provided in Section 16.3, prior to issuance of a Certificate of Completion under the LOA, Tenant shall not partially or wholly transfer or dispose of the Tenant's interest in the Lease, the Project, the Improvements or Tenant's interest in this Lease without the prior written approval of the Landlord, which may be withheld in Landlord's sole discretion. Without limiting Landlord's discretion to withhold its approval in any event, Landlord is unlikely to approve a transfer or disposition if (a) the transfer or disposition violates another provision of this Lease, (b) the proposed transferee does not possess qualifications and financial capacity equal to or superior to that of Tenant, or (c) the transfer or disposition will cause a material delay in completion of the Project or Improvements.

(b) Prior to issuance of a Certificate of Completion under the LDA, Roy Kim shall retain management control of the operations of the Tenant; provided, however, that if during such period Roy Kim dies or if incapacity renders him unable to manage the operations of Tenant, Tenant shall have the right to designate a successor manager, which successor shall be subject to Landlord's reasonable approval.

16.3 **Approved Transfers Prior to Issuance of Certificate of Completion.** Notwithstanding Section 16.2 above, the following transfers are allowed prior to issuance of Certificate of Completion pursuant to the LDA:

(a) An assignment or master sublease of Tenant's rights under this Lease and interest in the Project and the Improvements (which interest will remain subject to the terms and conditions of this Lease) to a partnership, limited liability company or limited partnership provided that (i) Roy Kim directly or indirectly holds a controlling management interest in the assignee or sublessee and (except in the event of death or incapacity that renders him unable to manage the operations of the assignee sublessee) retains control of the operations of the assignee or sublessee, and (ii) provided that Tenant furnishes Landlord with copies of the assignment or sublease instrument prior to the effective date of the proposed transfer, and any other information reasonably necessary for Landlord to determine whether such transfer complies with the requirements of this Lease. For avoidance of doubt, a permitted transfer of Tenant's rights shall include assignment or master sublease to a qualified active low-income community business ("QUALICB") as defined in Internal Revenue Code Section 45D in connection with any NMTC financing for the Project, or, subject to Landlord's reasonable consent, other transfer reasonably required in connection with Tenant's development financing. Notwithstanding an assignment or sublease under this Section 16.3(a), Tenant shall remain fully responsible to Landlord for performance of this Lease.

(b) Any Permitted Leasehold Mortgage, as defined in Section 18.2 or, subject to the provisions of any written agreement between Landlord and such Leasehold Mortgagee, any Transfer directly resulting from the foreclosure of a security interest by a Permitted Leasehold Mortgagee or the granting of a deed in lieu of foreclosure of such a security interest.

(c) Any subleases, provided such subleases comply with Section 16.11 below. With respect to any sublease for commercial space, Tenant shall request Landlord's approval of the subtenant and the permitted uses under the sublease, which approval shall not be unreasonably withheld, conditioned or delayed, but the ultimate decision on subleasing shall be Tenant's.

16.4 **Transfers after Issuance of Certificate of Completion.** After issuance of the Certificate of Completion pursuant to the LOA, the following provisions shall apply.

(a) **Subleases.** During the first twenty (20) years of the Term, Tenant shall not sublease any commercial space in the Project without requesting Landlord's approval of the subtenant and the permitted uses under the sublease, which approval shall not be unreasonably withheld, conditioned or delayed. Failure by Landlord to approve or disapprove within fifteen (15) days after delivery of such written request shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval. After the 20 year period, Tenant shall have the right to sublease portions of the Premises or the Improvements at any time and from time to time without requesting Landlord's approval of the subtenant and permitted uses under the sublease, provided the subleases comply with Sections 5.4 and 16.11.

(b) **Financing Related Transfers.** Landlord's consent shall not be required for any Permitted Leasehold Mortgagee, as defined in Section 18.2, or, subject to the provisions of any written agreement between Landlord and such Leasehold Mortgagee, any Transfer directly resulting from the foreclosure of a security interest by a Permitted Leasehold Mortgagee or the granting of a deed in lieu of foreclosure of such a security interest.

(c) **Transfer to Entity Under Kim Management.** Landlord's consent shall not be required for any Transfer to another limited liability company or other entity in which Roy Kim is the sole manager or has a controlling management interest.

(d) **Other Transfers.** Any Transfer not expressly permitted pursuant to Section 16.4(a), (b), or (c) shall be subject to Landlord's prior approval, which shall not be unreasonably withheld, conditioned, or delayed and shall be subject to this Section l6.4(d). For any transfer of the Landlord may withhold or condition its approval only if Landlord reasonably determines that the proposed assignee does not possesses the financial resources or successful operational experience necessary to operate the Project or portion of the Project to be transferred in accordance with this Lease. Prior to such a proposed Transfer, Tenant shall submit to Landlord information regarding such proposed Transfer, including the proposed documents to effectuate the Transfer, a description of the type of the Transfer, and such other information reasonably appropriate to assist Landlord in considering the proposed Transfer, including where applicable, the proposed transferee's financial strength and the prosed transferee's experience, capacity and expertise with re3pect to the operation of and management of mixed use projects generally similar to the Project. Landlord shall approve or disapprove the proposed Transfer within forty-five (45) days of Landlord's delivery of the information specified above. If Landlord has not delivered to Tenant written notice of Landlord's approval or

disapproval within such 45-day period, Tenant shall give Landlord a second written request for approval of the Transfer. Failure by Landlord to approve or disapprove within fifteen (15) days after delivery of such second written request shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval. Upon any Transfer of all of Tenant's interest in the Lease and the Improvements (and provided Landlord's written consent has been obtained, or Landlord is deemed to have consented as provided above), Tenant and any guarantor shall be automatically, without need for execution of any instrument by Landlord, released from their respective liabilities or obligations under this Lease or any guaranty of this Lease to the extent such obligations accrue on or after the effective date of the Transfer. Notwithstanding the foregoing, upon written request by Tenant, Landlord shall promptly execute such documents as may be reasonably requested by Tenant or any guarantor confirming such release.

16.5 **Subleasing Procedural Requirements.** It is Landlord's intent that the commercial space on the Premises supply products and services to meet unmet demand in the Rockwood West Gresham community and serve as a catalyst to stimulate adjacent and nearby businesses. Additionally, it is Landlord's intent that the subtenant mix for such commercial space: (i) be compatible with adjacent residential uses, and (ii) create economic opportunities for people of all background in the community. With respect to the commercial space in the Project, Landlord and Tenant shall use commercially reasonable efforts to make subleasing opportunities in the Project known to members of disadvantaged groups in the community, but the ultimate decisions on subleasing shall be Tenant's. Landlord will provide technical assistance up to but not including the negotiation of such subleases. Landlord will keep Tenant apprised of any discussions it has with prospective subtenants of the Project. Promptly upon execution of a letter of intent for any commercial space in the Project, Tenant shall notify Landlord of the prospective subtenant's identity and proposed use. Landlord and Tenant recognize that subtenant negotiations can be sensitive, and each party agrees it will not make public the information it receives from the other pursuant to this paragraph until such time as the parties agree that it is appropriate to do so or as otherwise required by the Oregon Public Records Law. Landlord shall designate a representative who is authorized to respond to requests for Landlord's approval under Sections 16.3(c) and 16.4(a). Such representative shall use reasonable efforts to approve or disapprove such requests promptly, and, in any event, shall approve or disapprove such requests within fifteen (15) days. Failure by Landlord to approve or disapprove, through such representative or otherwise, within the 15-day period shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval.

16.6 Tenant shall make a good faith attempt to attract locally owned commercial tenants to the Project following execution of the LDA and continuing after the execution of this Lease and until all initial spaces are leased. A "good faith attempt" means that Tenant will:

(a) Hold at least two (2) informational meetings to describe the leasing opportunities for interested persons before construction is completed;

(b) Advertise the leasing opportunities and the informational meetings in The Skanner, The Gresham Observer, El Hispanic News, the Asian Reporter, and other emerging community and immigrant media publications;

(c) Send written notice of the leasing opportunities and informational meetings to BESTHq, HispanicPros, El Programa Hispana; the Immigrant & Refugee Community Organization, the Rosewood Initiative, the Rockwood Community Development Corporation, Human Solutions, Slavic Family Radio, the Oregon Association of Minority Entrepreneurs, the Urban League, the Rockwood, Wilkes-East, and Centennial Neighborhood Associations, the Rockwood Business Association, the Gresham Area Chamber of Commerce; and the East Metro Economic Alliance.

(d) Provide documentation to Landlord to verify the above attempts and any additional attempts to meet the goals.

~~16.7 **Tenant Types.** Tenant will make a good faith effort to attract tenants that will provide access to healthy, affordable food. Market Hall tenants will be recruited to lease and provide affordable grocery staples within the Project that could include: fresh, frozen, dried, and canned fruits and vegetables, dairy products, unprocessed meat and seafood, grains, bakery items, cooking oils and spices, and a diversity of ethnic and cultural food offerings. To ensure healthy food alternatives, Landlord and Tenant will explore opportunities with partner organizations to provide incentives for businesses that are willing to participate in a healthy nutrition incentive program.~~

~~16.8~~16.7 **Marketing and Leasing of Commercial Units.** Tenant shall use commercially reasonable efforts to market and lease commercial all units in the Project. Tenant shall create and implement a marketing and leasing plan that addresses the marketing and leasing of commercial units in the Project, which plan shall have been approved in writing by Landlord Executive Director (the "Marketing Plan") no later than three months after commencement of construction.

~~16.9~~16.8 **Public Engagement Plan.** Both Tenant and Landlord acknowledge the diverse communities within the Rockwood Neighborhood and the City of Gresham and have participated in a public outreach process to solicit community feedback and engagement about the Project. Outreach began prior to submission of drawings and documents for City of Gresham Design Review and will continue as appropriate through construction and initial leasing. Consistent with the Development Budget and Development Timeline, Landlord and Tenant will identify and engage in public outreach opportunities to diverse community stakeholders and other interested parties, consistent with the public engagement approach identified by Landlord. The public engagement approach will serve to create a communication protocol, establish a list of interested parties within the neighborhood, and provide opportunities for neighborhood and citywide stakeholder groups to get periodic updates on the Project and provide input at key decision points.

~~16.10~~16.9 **Required Sublease Terms.** Each sublease will contain the following terms and conditions:

(a) The sublease will be for a term that will expire before the expiration of the Term

(b) The sublease will incorporate the applicable terms, conditions, and covenants set forth in this Article 16, and will state that the sublease is subject and subordinate to, this Lease and to any extensions, modifications, or amendments of this Lease;

(c) The sublease will provide that rents due under the sublease (i) have been assigned to Landlord (and Tenant hereby assigns the rents to Landlord), subject to the rights of any leasehold mortgagees, to support performance of Tenant's covenants under this Lease, which assignment will be effective only on the occurrence of any event of default by Tenant under this Lease; (ii) will not be paid more than one month in advance;

and (iii) will, subject to the rights of any leasehold mortgagees, on receipt of written notification from Landlord that an event of default has occurred under this Lease, be paid by the subtenant directly to Landlord until the subtenant receives written notice from Landlord that Tenant has cured the event of default or is in the process of curing the event of default in a manner reasonably satisfactory to Landlord;

(d) The sublease will provide that, if this Lease is canceled or terminated before the expiration of the Term, the subtenant will make full and complete attornment to Landlord for the balance of the term of the sublease with the same force and effect as though the sublease were originally made directly from Landlord, as long as Landlord performs the obligations of Tenant as sub-landlord under the sublease, subject to Section 16.12 below.

16.11 **Nondisturbance and Attornment.** If this Lease is terminated prior to its natural expiration date, Landlord shall recognize and not disturb the quiet enjoyment of any sublessee if the sublease (i) was approved by Landlord as provided in Section 16, (ii) is then free from default that has continued beyond any applicable cure period, and (iii) has rents that were commercially reasonable at the time the sublease was entered into, taking into account any discounts resulting from NMTC financing for the Project. In such event, the sublease shall continue in full force and effect as a direct lease between the sublessee and Landlord on all the terms, conditions, and covenants as are set forth in the sublease except that Landlord shall not be

(a) liable for any previous act or omission of the sublessor, (b) subject to any offset, deficiency, or defense that shall have accrued to the sublessee against the sublessor, (c) bound by any previous modification or prepayment of more than one month's rent unless such modification or prepayment shall have been expressly approved in writing by Landlord, or (c) be liable for the return of any security deposit on the sublease that was not actually transferred to the Landlord. Upon request by Landlord, sublessee shall deliver to Landlord an attornment agreement confirming that the sublessee will attorn to Landlord and recognize it as the sublessee's landlord under the terms of the sublease. On request, Landlord shall confirm in a separate written agreement with any sublessee the nondisturbance obligation of Landlord as set forth in this Section.

16.12 **Sublease Copies.** Upon written request by Landlord, Tenant will promptly deliver to Landlord complete copies of any and all subleases.

Article 17
LANDLORD MORTGAGES

17.1 **Landlord Mortgages.** Landlord has the right at any time and from time to time to borrow against and encumber its interest in the (i) Premises, (ii) improvements, if any, that are paid for solely by Landlord and are constructed after Tenant completes construction of the initial Improvements pursuant to the LOA, and (iii) this Lease (including Landlord's reversionary interest in the Improvements) (collectively, "Landlord's Interest") without having to obtain the consent of Tenant, provided (a) such loan and encumbrance are subordinate and subject to this Lease, and (b) Landlord has provided Tenant with a commercially reasonable form of subordination, nondisturbance, and attornment~~omment~~ agreement ("SNDA") executed by Landlord and the holder or beneficiary of the encumbrance and such agreement is recorded in the public records of Multnomah County, Oregon. Any such SNDA shall provide that this Lease will remain undisturbed unless Tenant is in default under this Lease and any Leasehold Mortgagee has failed to exercise its right to cure such default.

17.2 **Acts of Omission.** If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant will not exercise such right: (i) until it has given written notice of the act or omission to Landlord and each Encumbrance holder whose name and address have previously been furnished to Tenant, and (ii) until a reasonable period of time for the parties to cure the condition has passed.

Article 18
LEASEHOLD MORTGAGES

18.1 **Right to Mortgage Leasehold.** In addition to any other rights granted and without any requirement to obtain Landlord's consent, Tenant has the right to mortgage or grant a security interest in Tenant's interest in this Lease, the Premises, the Project, and the Improvements for a term not to exceed the remaining term of the lease under one or more leasehold mortgages to one or more Lending Institutions (as defined in Section 18.2 below), and to assign this Lease as collateral security for those leasehold mortgages, on the condition that all rights acquired under the leasehold mortgages are subordinate to this Lease subject to every covenant, condition, and restriction set forth in this Lease, and to all rights and interests of Landlord, none of which covenants, conditions, restrictions, rights, or interests is or will be deemed waived by Landlord by reason of the right given to mortgage or grant a security interest in Tenant's interest in this Lease, the Premises, the Project, and the Improvements, except as expressly provided otherwise or agreed in writing by Landlord. Landlord agrees to provide an estoppel, nondisturbance agreement, and such other accommodations as a Lending Institution may reasonably request to support the lender protections described in this Article.

18.2 **Defined Terms.** Any mortgage, deed of trust, financing statement, security agreement, or other financing instrument granted by Tenant in compliance with this Article 18 is referred to as a "Permitted Leasehold Mortgage," and the holder of or secured party under a Permitted Leasehold Mortgage is referred to as a "Permitted Leasehold Mortgagee." The Permitted Leasehold Mortgage that is prior in lien or interest among those in effect is referred to as the "First Leasehold Mortgage," and the holder of or secured party under the First Leasehold

Mortgage is referred to as the "First Leasehold Mortgagee." For the purposes of any rights created under this Article, any so-called wraparound lender will be considered a First Leasehold Mortgagee. If a First Leasehold Mortgage and a Permitted Leasehold Mortgage that is second in priority in lien or interest among those in effect are both held by the same Permitted Leasehold Mortgagee, the two Permitted Leasehold Mortgages are collectively referred to as the First Leasehold Mortgage. The term "Lending Institution" means any commercial, national, or savings bank, savings and loan association, trust company, pension trust, foundation, or insurance company, and any other entity, person, corporation, partnership, or otherwise making a loan on the security of Tenant's interest in this Lease, the Project, or any portion of the Premises or the Improvements. ~~In the event NMTC financing is arranged for the Project, "Lending Institution" shall also mean a Community Development Entity ("COE" or "Sub-CDE") providing financing to the Project.~~

18.3 **Lender Protections.** If a Permitted Leasehold Mortgagee sends to Landlord a true copy of its Permitted Leasehold Mortgage, together with written notice specifying the name and address of the Permitted Leasehold Mortgagee, then as long as the Permitted Leasehold Mortgage remains unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions will apply (in respect of the Permitted Leasehold Mortgage and of any other Permitted Leasehold Mortgages):

(a) This Lease may not be (i) amended or modified, or (ii) terminated or canceled by reason of the exercise of any option or election by Tenant, or by the giving of any notice by Tenant, unless such amendment, modification, termination, or cancellation by Tenant is assented to in writing by the Permitted Leasehold Mortgagee. Any such attempted amendment or modification, termination, or cancellation by Tenant without the Permitted Leasehold Mortgagee's assent is void. Furthermore, no mergers will result from the acquisition by, or devolution upon, any one entity of the fee and the leasehold estates in the Premises, the Project, or the Improvements.

(b) Except as otherwise provided in Section 26.5, upon serving Tenant with any notice under this Lease, whether of default or any other matter, Landlord will simultaneously serve a copy of the notice on the Permitted Leasehold Mortgagee, and no notice to Tenant will be deemed given unless a copy is so served on the Permitted Leasehold Mortgagee in the manner provided in this Lease for giving notices.

(c) In the event of any default by Tenant under this Lease, each Permitted Leasehold Mortgagee has the same period as Tenant has, plus thirty (30) days, after service of notice on it of the default, to remedy or cause to be remedied or, if such default cannot be remedied within such period, to commence remedy of the default complained of, and Landlord must accept that performance by or at the instigation of the Permitted Leasehold Mortgagee as if the same had been done by Tenant. Each notice of default given by Landlord must state the amount of any Rent that is then claimed to be in default.

(d) If Landlord elects to terminate this Lease because of any default of Tenant, the Permitted Leasehold Mortgagee will have, in addition to the rights granted under the preceding Section, the right to postpone and extend the specified date for the termination of this Lease as fixed by Landlord in its notice of termination, for a period of

twelve (12) months, as long as the Permitted Leasehold Mortgagee (i) cures or causes to be cured any then-existing defaults in payment of Rent and meanwhile pays the Rent, and (ii) forthwith takes steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgage or otherwise and prosecutes the same to completion with reasonable diligence and continuity. If, at the end of the 12-month period, the Permitted Leasehold Mortgagee is actively engaged in steps to acquire or sell Tenant's interest, the time of the Permitted Leasehold Mortgagee to comply with the provisions of this Section will be extended for a period of six (6) months or such longer period as may be required to complete those steps with reasonable diligence and continuity.

(e) Landlord agrees that if this Lease is terminated by reason of any default by Tenant, other than for nonpayment of the Rent and other payments herein provided for, Landlord will enter into a new lease for the Premises, the Project, and the Improvements with the holder of the then First Leasehold Mortgage on this Lease, or with its nominee or designee, for the remainder of the Term, effective as of the date of the termination, at the Rent and on the other terms and provisions as herein contained and subject only to the same conditions of title as this Lease was subject on the date of the execution hereof, and to the rights, if any, of any parties then in possession of the Premises or any portion thereof, provided as follows: (i) The holder will request the new lease within thirty (30) days after the date of termination of the Lease; (ii) the holder will pay to Landlord at the time of execution and delivery of the new lease all sums as to which the First Leasehold Mortgagee will have been provided with prior notice and which would at the time of execution and delivery thereof be due under this Lease had it not terminated, together with any expenses, including reasonable attorney fees, to which Landlord will have been subjected by reason of the default; (iii) Landlord will not warrant possession of the Premises to the tenant under the new lease; (iv) the new lease will be expressly made subject to the rights, if any, of Tenant under the terminated Lease; (v) tenant under the new lease will have the same right, title, and interest in and to the Premises as Tenant had under this Lease (except as otherwise expressly provided herein); and (vi) the holder will not be obligated to perform any obligations of Tenant hereunder until the holder actually acquires possession of the Premises.

(f) Nothing herein contained will require any holder of a Permitted Leasehold Mortgage or its nominee or designee to cure any default that occurs as a result of the status of Tenant such as Tenant's bankruptcy, insolvency, reorganization, or other proceeding under the bankruptcy or insolvency laws of the United States or the State of Oregon or otherwise, or to require the Permitted Leasehold Mortgagee or its nominee to discharge any lien, charge, or encumbrance against Tenant's interest in this Lease junior in priority to the lien of the Permitted Leasehold Mortgage.

(g) Landlord agrees to amend this Lease from time to time to the extent reasonably requested by a Lending Institution proposing to make Tenant a loan secured by a Permitted Leasehold Mortgage, as long as such proposed amendments do not subordinate or materially and adversely affect the rights, obligations, or liabilities of Landlord or Landlord's interest in the Premises, the Project or the Improvements. All reasonable expenses Landlord incurs in connection with any such amendment will be paid by Tenant.

(h) Landlord agrees that the name of any Permitted Leasehold Mortgagees may be added to the "loss payable endorsement" of any or all insurance policies required to be carried by Tenant.

(i) The First Leasehold Mortgagee and any subordinate leasehold mortgagee ~~CDE or Sub-CDE~~ shall be given notice of any arbitration or other proceeding or dispute by or between the parties and shall have the right to intervene and be made a party to any such arbitration or other proceeding. In any event, each Permitted Leasehold Mortgagee shall receive notice of, and a copy of, any award or decision made in the arbitration or other proceeding.

~~U)~~(j) Any award or payment in condemnation or eminent domain in respect of the real property owned by ~~GRDC~~ Landlord shall be paid to ~~GRDC~~Landlord. Any award or payment in condemnation or eminent domain in respect of the Improvements or Tenant's interest under this Lease shall be paid to the First Leasehold Mortgagee for the benefit of the parties and applied in the manner specified in this Lease.

(k) To the extent required by any Permitted Leasehold Mortgagee, no fire or casualty loss claims shall be settled and no agreement will be made in respect of any award or payment in condemnation or eminent domain without in each case the prior written consent of the First Leasehold Mortgagee.

(1) No liability for the payment of Rent or the performance of any of Tenant's covenants and agreements shall attach to or be imposed on the Permitted Leasehold Mortgagee (other than any obligations assumed by the Permitted Leasehold Mortgagee), all such liability (other than any obligations assumed by the Permitted Leasehold Mortgagee) being expressly waived by Landlord.

(m) No payment made to Landlord by any Permitted Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease; and the Permitted Leasehold Mortgagee having made any payment to Landlord pursuant to Landlord's wrongful, improper, or mistaken notice or demand shall be entitled to the return of any such payment or portion, provided it shall have made demand not later than one year after the date of its payment.

(n) Landlord, on request, shall execute, acknowledge, and deliver to each Permitted Leasehold Mortgagee an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to the Permitted Leasehold Mortgagee and Landlord, among Landlord, Tenant, and the Permitted Leasehold Mortgagee, agreeing to all the provisions of this Section.

(o) Landlord shall at no time be required to subordinate its fee simple interest in the Premises or Landlord's interest in the lease to the lien of any leasehold mortgage, nor to mortgage its fee simple interest in the Premises or Landlord's interest in the lease as collateral or additional security for any leasehold mortgage. Landlord shall attorn to any Permitted Leasehold Mortgagee or any other person who becomes Landlord by, through, or under a Permitted Leasehold Mortgage.

(p) If Tenant is declared bankrupt or insolvent and this Lease is thereafter lawfully canceled or rejected, Landlord shall immediately execute a new lease under the same terms and conditions as this Lease to the Permitted Leasehold Mortgagee or its nominee, provided that all defaults under this Lease except the bankruptcy or insolvency of Tenant be cured by the Permitted Leasehold Mortgagee or its nominee.

(q) If Landlord declares bankruptcy and Landlord's bankruptcy trustee rejects this Lease when there is a Permitted Leasehold Mortgagee, Tenant's right to elect to terminate this Lease or to retain its rights pursuant to 11 USC §365(h)(l) shall be exercised by the Permitted Leasehold Mortgagee.

Article 19
ESTOPPEL CERTIFICATE

Within fifteen (15) days after a written request is made by a party, the other party will, without charge, give a certification in writing to any person, firm, or corporation reasonably specified by the requesting party stating (a) that this Lease is then in full force and effect and unmodified, or if modified, stating the modifications; (b) that Tenant is not in default in the payment of Rent to Landlord, or if in default, stating the default; (c) that as far as the maker of the certificate knows, neither party is in default in performing or observing any other covenant or condition to be performed or observed under this Lease, or if either party is in default, stating the default; (d) that as far as the maker of the certificate knows, no event has occurred that authorized, or with the lapse of time will authorize, Tenant to terminate this Lease, or if such an event has occurred, stating the event; (e) that as far as the maker of the certificate knows, neither party has any offsets, counterclaims, or defenses, or, if so, stating them; (t) the dates to which Rent has been paid; and (g) any other matters that may be reasonably requested by the requesting party.

Article 20
DEFAULT

The occurrence of any one or more of the following constitutes an event of default under this Lease:

20.1 Failure by Tenant to pay Rent or any other amount required to be paid by Tenant to Landlord under this Lease within ten (10) days after written notice of such nonpayment is given to Tenant; provided, however, that Landlord is not required to give Tenant more than one such notice in any consecutive 12-month period. After giving the first such notice to Tenant during a consecutive 12-month period, Tenant will be deemed in default under this Lease for failure to pay Rent or any other amount within ten (10) days after the same becomes due, without notice or opportunity to cure;

20.2 Failure by Tenant to obtain and maintain any insurance or provide evidence of insurance as required by the terms of this Lease and such failure continues and is not remedied within ten (10) days after written notice thereof is given to Tenant;

20.3 Failure by Tenant, whether by action or inaction, to comply with any term or condition or fulfill any obligation under this Lease (other than as set forth in Sections 20.1 and

20.2 above) and such failure continues and is not remedied within thirty (30) days after written notice thereof is given to Tenant; provided, however, that if the failure is of such a nature that it cannot be cured within said 30-day period, then this provision is satisfied if Tenant begins the cure within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the cure;

20.4 Tenant becomes insolvent; Tenant makes an assignment for the benefit of creditors; Tenant files a voluntary petition in bankruptcy; Tenant is adjudged bankrupt or a receiver is appointed for Tenant's properties; the filing of any involuntary petition of bankruptcy and Tenant's failure to secure a dismissal of the petition within seventy-five (75) days after filing; or the attachment of or the levying of execution on the leasehold interest and Tenant's failure to secure discharge of the attachment or release of the levy of execution within thirty (30) days.

20.5 Prior to issuance of a Notice of Completion under the LOA, Tenant is in default of the LOA beyond any applicable cure period.

20.6 Tenant is in default under any leasehold mortgage or instrument secured by Tenant's interest in the Property, the Premises or the Improvements and the mortgagee or lender commences foreclosure.

Upon written request by Landlord, Tenant will promptly supply Landlord with information about the efforts Tenant has made to cure any breach pursuant to Section 20.3.

Article 21
REMEDIES

21.1 **Remedies.** Upon the occurrence of an event of default, Landlord may exercise any one or more of the remedies set forth in this Section or any other remedy available under applicable law or contained in this Lease:

(a) Landlord may terminate this Lease by written notice to Tenant.

(b) Landlord or Landlord's agent or employee may immediately or at any time thereafter, without terminating the Lease, reenter the Premises and the Improvements either by summary eviction proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution, or damages, and may repossess the same, and may remove any person from the Premises and the Improvements, to the end that Landlord may have, hold, and enjoy the Premises and the Improvements. RE-ENTRY OR TAKING POSSESSION OF THE PREMISES OR THE IMPROVEMENTS BY LANDLORD WILL NOT BE CONSTRUED AS AN ELECTION ON ITS PART TO TERMINATE THIS LEASE UNLESS A WRITTEN NOTICE OF SUCH INTENTION IS GIVEN TO TENANT.

(c) Landlord may, without terminating the Lease, relet the whole or any part of the Premises, the Project, and the Improvements from time to time, either in the name of Landlord or otherwise, to any persons, for any terms ending before, on, or after the expiration date of the Term, at any rentals and on any other conditions (including

concessions and free rent) that Landlord determines to be appropriate. To the extent allowed under Oregon law, Landlord will have no obligation to relet all or any part of the Premises, the Project, or the Improvements and will not be liable for refusing to relet the Premises, the Project, or the Improvements, or, in the event of reletting, for refusing or failing to collect any rent due on such reletting; and any action of Landlord will not operate to relieve Tenant of any liability under this Lease or otherwise affect such liability. Landlord at its option may make any physical change to the Premises, the Project, or the Improvements that Landlord, in its sole discretion, considers advisable and necessary in connection with any reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting Tenant's liability.

(d) Whether or not Landlord retakes possession of or relets the Premises, the Project, and the Improvements, Landlord has the right to recover its damages, including without limitation all lost rentals, all legal expenses, all costs incurred by Landlord in maintaining and restoring the Premises, the Project, or otherwise preparing the Premises, the Project, and the Improvements for reletting, and all costs incurred by Landlord in reletting the Premises, the Project, and the Improvements.

(e) To the extent permitted under Oregon law, Landlord may sue periodically for damages as they accrue without barring a later action for further damages. Landlord may in one action recover accrued damages plus damages attributable to the remaining Term equal to the difference between the Rent reserved in this Lease for the balance of the Term after the time of award and the fair rental value of the Premises, the Project, and the Improvements for the same period, discounted at the time of award at a reasonable rate not to exceed 10 percent per annum. If Landlord relets the Premises, the Project, and the Improvements for the period that otherwise would have constituted all or part of the unexpired portion of the Term, the amount of rent reserved on the reletting will be deemed to be the fair and reasonable rental value for the part or the whole of the Premises, the Project, and the Improvements so relet during the term of the reletting.

(f) Without terminating this Lease, Landlord may bring an action to enforce any term of this Lease.

21.2 **Landlord's Self-Help Right.** If Tenant at any time (a) fails to pay any Tax in accordance with the provisions of this Lease, (b) fails to make any other payment required under this Lease, or (c) fails to perform any other obligation on its part to be made or performed under this Lease, then after thirty (30) days' written notice to Tenant (or without notice in the event of an emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or from any default by Tenant and without waiving Landlord's right to take any action that is permissible under this Lease as a result of the default, Landlord may, but is under no obligation to, (i) pay any Tax or make any other payment required of Tenant under this Lease, and (ii) perform any other act on Tenant's part to be made or performed as provided in this Lease, and may enter the Premises, the Project, and the Improvements for any such purpose, and take any action that may be necessary. All payments so made by Landlord and all costs and expenses incurred by Landlord, including reasonable attorney fees, in connection with the performance of any such act will constitute additional rent payable by Tenant under this Lease and must be paid to Landlord on demand.

21.3 **No Waiver.** No failure by Landlord to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of full or partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Tenant, and no breach by Tenant, may be waived, altered, or modified except by a written instrument executed by Landlord. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

21.4 **Remedies Cumulative and Nonexclusive.** Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for now or hereafter existing at law or in equity or by statute or otherwise, and Landlord's or Tenant's exercise or beginning to exercise of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Article 22
SALE BY LANDLORD AND LIMITATION OF LANDLORD'S LIABILITY

22.1 **Sale by Landlord.** If the original Landlord under this Lease, or any successor owner of the Premises, sells or conveys the same, and the new owner assumes the obligations of Landlord under this Lease, all liabilities and obligations on the part of the original Landlord or the successor owner under this Lease accruing thereafter will terminate, and thereupon all such liabilities and obligations will be binding on the new owner. Tenant agrees to attorn to the new owner.

22.2 **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 Landlord's Interest, as defined above, and Landlord will have no other liability hereunder. Tenant will not enforce any judgment against Landlord except against Landlord's Interest. In no event will any officer, employee, or agent 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, the Project or the Improvements.

22.3 **Tenant's Right of First Offer.** Except as provided in Section 22.3(e), Landlord agrees not to sell, transfer, exchange, grant an option to purchase, or otherwise dispose of Landlord's Interest, as defined above, or any part thereof, without first offering Landlord's Interest to Tenant on the terms and conditions set forth in this paragraph 22.3.

(a) Landlord shall offer Landlord's Interest by written notice to Tenant ("Landlord's Offer"). Landlord's Offer shall state the terms upon which, in good faith, Landlord is willing to sell Landlord's Interest, including:

(i) The purchase price;

(ii) The required earnest money deposit ("Deposit");

(iii) The terms for payment of the purchase price;

(iv) The condition of title that Landlord will deliver at closing;

(v) The form of the conveyance instrument which Landlord will deliver at closing;

(vi) The type and dollar amount of title insurance for the benefit of the buyer, if any, that Landlord will procure and pay for;

(vii) The date of closing;

(viii) The allocation of closing costs and fees and the basis on which any income and expenses relating to Landlord's Interest will~~ll~~ be prorated between Landlord and the buyer; and

(ix) Any other material terms.

Landlord further agrees to promptly provide Tenant with any information or documents pertaining to Landlord's Interest and the contemplated sale that Tenant may reasonably request so long as such information or documents are in Landlord's possession or control and can be provided at no substantial expense to Landlord. To the extent that Landlord's Offer fails to address any issue that needs to be resolved in order to close the sale, then the common practice in the county and state where the Property is located for similar transactions shall govern; provided, however, that unless specifically contained in Landlord's Offer, Landlord shall not be required to make any representations or warranties in connection with the sale other than standard title warranties, authority to complete the transaction, and that all information provided by Landlord to the Tenant in Landlord's Offer is true and correct.

The purchase price for Landlord's Interest shall be paid in cash.

(b) Acceptance or Rejection of Landlord's Offer.

(i) Tenant shall have forty-five (45) days after receipt of Landlord's Offer to deliver a written response to Landlord that Tenant agrees to either (i) accept Landlord's Offer and purchase Landlord's Interest on the terms set out therein; or (ii) negotiate the terms of Landlord's Offer as required herein.

(ii) If Tenant does not provide Landlord a written response to Landlord's Offer within such 45 day period, upon the expiration of said 45 day period, Tenant shall be deemed not to have accepted Landlord's Offer, Landlord may immediately offer to sell Landlord's Interest to any third party on not More Favorable Terms than those in Landlord's Offer, subject to subs~~:',~~ection 22.3(d) herein.

(iii) If Tenant timely accepts Landlord's Offer, the sale of Landlord's Interest shall be closed in accordance with the terms of Landlord's Offer by a national title insurance company selected by Landlord, subject to the reasonable approval of Tenant, as escrow agent. Tenant shall also immediately place in escrow the required deposit set forth in Landlord's Offer. Notwithstanding the above or any other term or provision of this right of first offer, Tenant shall have a period of at least thirty (30) days (or more if so provided in Landlord's Offer) after receipt of all Landlord's documents to complete Tenant's due diligence investigation of Landlord's Interest and Landlord's documents. For the purpose of such review, Tenant shall be entitled to conduct such tests and investigation as Tenant deems appropriate in its sole discretion, Tenant shall first provide Landlord with written notice of such entry, and Tenant's entry shall not disturb the quiet enjoyment of any tenant, nor shall Tenant be entitled to undertake do any destructive or invasive testing or investigation. In connection with such entry, Tenant will indemnify, defend, and hold Landlord harmless from any and all claims, demands, losses, costs, and liabilities, including reasonable attorney fees and legal expenses arising from Tenant's or its consultants' or contractors' entry onto the Property pursuant to the terms of this provision. If Tenant is not satisfied with the results of its investigation within such thirty (30) day period, Tenant shall be entitled to provide notice to Landlord of Tenant's termination of Tenant's intent to purchase Landlord's Interest, and such notice shall have the same effect as if Tenant had rejected Landlord's Offer in the first instance.

(iv) If Tenant seeks to negotiate a Landlord's Offer made hereunder, Tenant shall give Landlord written notice of Tenant's request for negotiation, and the parties shall mutually execute a revised and final Landlord's Offer no later than thirty (30) days following Landlord's receipt of Tenant's written notice to negotiate Landlord's Offer (hereinafter the "Negotiation Period"). Landlord will act in good faith as to scheduling and attending meetings with Tenant during the Negotiation Period, provided that nothing herein shall be deemed in any manner to require that Landlord change any terms of Landlord's Offer, and any proposed changes to Landlord's Offer may be made or rejected by Landlord, in Landlord's sole and absolute discretion.

(v) If Tenant accepts Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, Landlord and Tenant shall cooperate with one another to facilitate the sale of Landlord's Interest in accordance with this right of first offer. Both parties agree that they will execute such additional instruments and take such actions as may be reasonably requested by the other in order to confirm, perfect, or otherwise carry out the intent and purposes of this right of first offer.

(vi) If Tenant accepts Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, and fails without legal excuse to close the purchase in accordance with the terms of Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, then this right of first offer shall immediately terminate, Tenant's earnest money shall be forfeited as Landlord's sole and exclusive remedy, and Landlord may sell Landlord's Interest free of any of the restrictions or obligations contained herein.

(c) If Tenant does not accept Landlord's Offer and the Negotiation Period, if any, expires for said offer, and (i) Landlord has not closed the transfer of Landlord's Interest to a third party within one (1) year after the date either Tenant has rejected Landlord's Offer or the time in which Tenant could accept Landlord's Offer has expired, and Landlord wishes to sell Landlord's Interest, or (ii) Landlord wishes to sell Landlord's Interest on More Favorable Terms (as defined in subsection 22.3(d) below) to a third party other than those permitted under subsection 22.3(e), then Landlord must first submit another Landlord's Offer to Tenant (on such More Favorable Terms, if applicable) before selling Landlord's Interest to said third party.

(d) An offer to sell Landlord's Interest to a third party shall be deemed to have "More Favorable Terms" than Landlords' Offer if either: (i) the economic terms of the transaction as a whole in Landlord's offer to a third party regarding Landlord's Interest are more than three percent (3%) more favorable than the economic terms of the transaction as a whole in Landlord's Offer to Tenant for the same property, or (ii) there is a material variation in the non-economic terms of the third party offer as compared to the non-economic terms of the Landlord's Offer.

Tenant and Landlord agree that the following terms in Landlord's offer to a third party or Tenant are not "economic terms" as defined in this right of first offer:

(i) dates and deadlines regarding closing, inspection contingencies, and due diligence regarding Landlord's Interest; and

(ii) the scope of any buyer's request for document review related to the Property during the inspection contingency and/or the due diligence period.

(e) This right of first offer shall not apply to any transaction permitted under Section 17.1; to any merger of Landlord with, or transfer of substantially all of Landlord's assets to, any other governmental, quasi-governmental or non-profit entity; or to the sale, transfer, exchange or other disposal of Landlord's Interest to the City of Gresham or other governmental entity related to the termination of the Rockwood-West Gresham Urban Renewal Area. However, this right of first offer shall survive any such transaction and shall apply to any sale, transfer, exchange, grant of purchase option or other disposition thereafter of Landlord's Interest or any part thereof.

(f) The right of first offer in favor of Tenant shall terminate upon the sale of Landlord's Interest in a manner consistent with this right of first offer after a Landlord's Offer has been made to Tenant. Upon the termination of the right of first offer in favor of Tenant for any reason, both parties shall cooperate in good faith to execute such documents as may be required to document the termination of the right of first offer of record in the County where the Property is located.

(g) This right of first offer may not be assigned by Tenant separately from its interest in the Lease, except that Tenant may take title to Landlord's Interest in the name of an affiliate. Except as otherwise expressly limited herein, this right of first offer shall be binding upon and shall inure to the benefit of the successors and permitted assigns of Landlord and Tenant. For purposes of this paragraph, "affiliate" shall mean any entity in which Tenant or any direct or indirect owner of Tenant has an ownership interest or a controlling management interest.

(h) To be effective, a notice or other communications required or permitted under this right of first offer must be given, and shall deemed delivered, in the manner set forth in the Lease for giving of notices. In the event a party breaches the provisions of this Section 22.3, the non-breaching party shall have the right to exercise all remedies available at law and in equity, including the right to seek specific performance and other injunctive relief.

(i) If Tenant does not accept Landlord's offer, Tenant shall permit Landlord reasonable access to the Property for purposes of non-invasive inspections, marketing (including signage), and showing to prospective purchasers. Tenant shall reasonably cooperate with Landlord's efforts to sell the Landlord's Interest by providing information or similar assistance. Nothing in this provision shall require Tenant to incur any costs or prohibit Tenant from imposing reasonable terms and conditions to ensure that the operations of Tenant and its subtenants are not unreasonably interfered with or disturbed.

Article 23
SURRENDER AND HOLDOVER

23.1 **Condition of Premises and Improvements.** Upon expiration of the Term or earlier termination of this Lease, Tenant will deliver all keys to Landlord and surrender the Premises and the Improvements in good condition and repair and broom clean (reasonable wear and tear excepted), free and clear of all occupancies other than subleases to which Landlord has specifically consented (when such consent is required) and free and clear of all liens and encumbrances other than those, if any, existing on the date of this Lease or created or suffered by Landlord. Tenant's obligations under this Article will be subject to the provisions of Article 14 relating to damage or destruction and Article 15 relating to condemnation.

23.2 **Tenant's Property.** Before the expiration or earlier termination of this Lease, Tenant will remove all furnishings, furniture, and trade fixtures that remain Tenant's property (the "Tenant's Property"). If Tenant fails to do so, at Landlord's option, (a) the failure to remove Tenant's Property will be deemed an abandonment of Tenant's Property, and Landlord may retain Tenant's Property and all rights of Tenant with respect to it will cease; or (b) by written notice given to Tenant, Landlord may elect to hold Tenant to Tenant's obligation of removal, in which case Landlord may affect the removal, transportation, and storage of Tenant's Property and Tenant will reimburse Landlord for the costs incurred in connection therewith on demand.

23.3 **Holding Over.** Any holding over after the expiration of the Term with the written consent of Landlord will be construed to be a tenancy from month-to-month, at one hundred three percent (103%) of the Rent payable for the period immediately before the expiration of the Term and will otherwise be on the terms and conditions of this Lease. If Landlord consents to Tenant holding over, either party may thereafter terminate the tenancy at any time on thirty (30) days' advance written notice to the other party. Any holding over after the expiration of the Term without the written consent of Landlord will be construed as a tenancy at sufferance (which Landlord may terminate at any time without notice) and Tenant will be liable for any and all damages resulting from such unauthorized holdover (including, but not limited to, any and all damages that Landlord is required to pay a new tenant for failing to timely deliver any portion of the Premises or the Improvements).

Article 24
CONDITION OF PREMISES

Tenant acknowledges that it has examined the physical condition of the Premises (including whether the Premises contains any Hazardous Substances or fails to comply with any Environmental Laws) and as a result agrees to accept the Premises in "as-is" condition, with all faults. Tenant further acknowledges that no representations or warranties regarding the condition of the Premises have been made by Landlord or any agent or person acting for Landlord, except those expressly set forth in the LOA.

Article 25
QUIET ENJOYMENT

Provided Tenant is not in default under this Lease, Tenant will have quiet enjoyment of the Premises during the Term without hindrance or disturbance by any person claiming by, through, or under Landlord, subject, however, to the encumbrances set forth in Exhibit E (the "Permitted Exceptions").

Article 26
NOTICES

26.1 **Notice Parties and Means of Delivery.** Except as otherwise provided in Section 26.5, any notice required or permitted by the terms of this Lease will be deemed given if delivered personally, sent by United States registered or certified mail, postage prepaid, return receipt requested, or sent by electronic mail transmission (provided a written notice is sent on the next business day by one of the other approved methods of giving notice), and addressed as follows:

If to Landlord:	Gresham Redevelopment Commission
Attn: Address:	~~Josh Fuhrer~~ Justin Douglas, Executive Director 1333 NW Eastman Parkway Gresham, OR 97030
~~Email:~~ Email:	justin.douglas~~josh.fuhrer~~@greshamoregon.gov
~~With a copy to~~: With a copy to:	Ellen Van Riper~~David Ris~~, City Attorney 1333 NW Eastman Parkway Gresham, OR 97030 Ellen.VanRiper~~david.ris~~@greshamoregon.gov
~~If to Tenant:~~	
~~Attn:~~ ~~Address:~~	
If to Tenant:	Rockwood Rising, LLC
Attn: Address:	Roy Kim 15160 NW Laidlaw Road, Suite 108 Portland, OR 97229
Email:	roy@bethanyvillage.com
With a copy to:	Andy Hahs ~~Gilbert E. Parker~~ Bittner_Hahs 4949 Meadows Road, Suite 260
~~Email:~~ ~~With a copy to:~~	~~Dunn Carney, LLP~~ ~~851 SW Sixth Avenue, Suite 1500~~ Lake Oswego~~Portland~~, OR 97035~~204~~ ~~gparker@dunncarney.com~~ AHahs@bittner-hahs.com
~~And a copy to:~~	~~Alan L. Pasternack~~ ~~Law Office of Alan Pasternack~~ ~~6029 NE 29th Avenue~~ ~~Portland, OR 97211~~ ~~alan@pasternack.com~~

Notwithstanding the foregoing, written notice given in any manner other than the manner set forth above shall be effective when received by the individual for whom it is intended. Either party may change its notice address by giving notice of such change to the other party in the manner set forth in this Section 21.1.

26.2 **Duplicate Notice to Permitted Leasehold Mortgagees.** A copy of each notice from Landlord to Tenant must be contemporaneously delivered to each Permitted Leasehold Mortgagee who previously delivered to Landlord its name and address and the other items required by Section 18.3 above. Notice to Tenant shall not be effective as to any Permitted Leasehold Mortgagee that is entitled to notice until a duplicate notice is actually delivered or deemed delivered pursuant to 26.1 to such Permitted Leasehold Mortgagee.

26.3 **Copies of Certain Notices to Tenant.** Tenant will immediately send to Landlord, in the manner prescribed in this Article, copies of all notices of default that Tenant gives to or receives from any Permitted Leasehold Mortgagee as well as copies of all notices of violation that it receives with respect to the Premises, the Project or the Improvements from any government authority, fire regulatory agency, or similarly constituted body, and copies of its responses to those notices.

26.4 **Failure to Notify of Change of Address or Refusal to Accept a Notice.** Notwithstanding anything in this Article to the contrary, any notice mailed to the last-designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this Article will not be deemed ineffective if actual delivery cannot be made because of a change of address of the person or party to which the notice is directed or the failure or refusal of such a person or party to accept delivery of the notice.

26.5 **Electronic Mail Notice Sufficient for Certain Purposes.** Notices by either party under Article 6, Section 16.3(c), Section 16.4(a), Section 16.5, and Section 28.31(b) shall be deemed given when sent by electronic mail transmission (with confirmation of delivery) to the electronic email address for such party set forth above, or to such other electronic mail address the addressee may have designated by notice to the other party in the manner set forth in Section 26.1. The parties will cooperate in facilitating such communications by confirming their receipt of such electronic notices upon request by the sending party. Notwithstanding Sections 26.1 , 26.2 or Article 18, copies of notices by either party to the other under Sections Article 6, Section 16.3(c), Section 16.4(a), Section 16.5 and Section 28.31(b) need not be given to the receiving party's attorneys or mortgagees to be effective notice.

Article 27
TENANT'S OPTION TO PURCHASE

27.1 **Grant of Purchase Option.** At any time after the twentieth (20th) anniversary of the Commencement Date, and if Tenant is not then in default under this Lease, Tenant will have the option, but not the obligation, to acquire Landlord's Interest, including Landlord's right to own the improvements upon Lease termination, from Landlord for the amount described in Exhibit C attached hereto (the "Purchase Option").

27.2 **Exercise of Purchase Option.** Tenant may exercise the Purchase Option by giving Landlord written notice of Tenant's election to exercise the Purchase Option at any time during the Term. Acquisition pursuant to this Article 27, must be closed on or before the expiration of the Term. Notwithstanding the foregoing, if Landlord has provided Tenant written notice of a Landlord's Offer pursuant to Section 22.3 (Tenant's Right of First Offer), and Tenant has not either accepted such offer or exercised this Purchase Option within 45 days thereafter, then Tenant may not exercise the Purchase Option until the earlier of (i) one year after Landlord's delivery of Landlord's Offer or (ii) the closing of the sale or other disposition of Landlord's Interest by Landlord to a third party.

27.3 **Closing on Purchase.** If Tenant exercises the Purchase Option in accordance with the terms of this Lease, Landlord will, by means of a bargain and sale deed, and an assignment of this Lease in a form reasonably acceptable to Landlord and Tenant, convey title to Landlord's Interest, free and clear of all liens and encumbrances except for the Permitted Exceptions (excluding any mortgages or deeds of trust granted by Landlord or any predecessor in title) and any liens or encumbrances Tenant caused or permitted to attach to Landlord's Interest, or to Tenant's interest in the Premises, the Project, or the Improvements, since the Commencement Date. Landlord will furnish Tenant with a standard owner's title insurance policy issued by a reputable title insurance company, selected by Landlord and approved by Tenant, which approval may not be unreasonably withheld. The title insurance policy will contain only the standard printed exceptions and the Permitted Exceptions. Landlord will pay the premium for the title insurance policy and the title insurance policy must be delivered to Tenant within a reasonable period of time after the closing. Proration of taxes and other customary adjustments must be made as of the closing date of the conveyance, if necessary given Tenant's obligations under the Lease. Tenant must execute a release, covenant not to sue, hold harmless and indemnification and defense agreement for any and all claims relating to or arising from the condition of the Premises (except Landlord's title and authority to sell) reasonably satisfactory to Landlord, which agreement shall survive the deed indefinitely. The closing must be in escrow at a reputable escrow company selected by Tenant and approved by Landlord, which approval will not be unreasonably withheld. The escrow fee and closing costs will be shared equally by the parties. Before closing on the exercised option, Tenant will cooperate with Landlord in Landlord's efforts, if any, to achieve a tax-free exchange of the subject property.

27.4 RESERVED

27.5 **Statutory Disclosure.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Article 28
MISCELLANEOUS

28.1 **Survival.** All agreements (including, but not limited to, indemnification agreements) set forth in this Lease, the full performance of which are not required before the expiration or earlier termination of this Lease, will survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

28.2 **Invalidity.** If any term or provision of this Lease or the application of the Lease to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

28.3 **Force Majeure.** If either party's performance of an obligation under this Lease (excluding a monetary obligation) is delayed or prevented in whole or in part by (a) any Legal Requirement (and not attributable to an act or omission of the party); (b) any act of God, fire, or other casualty, flood, storm, explosion, accident, epidemic, war, civil disorder, strike, or other labor difficulty; (c) shortage or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation; or (d) any other cause not reasonably within the party's control, whether or not the cause is specifically mentioned in this Lease, the party will be excused, discharged, and released of performance to the extent that such performance or obligation (excluding any monetary obligation) is so limited or prevented by the occurrence without liability of any kind.

28.4 **Nonmerger.** There may be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the Premises by reason of the fact that this Lease, the leasehold estate created by this Lease, or any interest in this Lease, may be held, directly or indirectly, by or for the account of any person who owns the fee estate in the Premises or any interest in such fee estate. No merger will occur unless and until all persons having an interest in the fee estate in the Premises and all persons (including all Permitted Leasehold Mortgagees) having an interest in this Lease, or in the leasehold estate created by this Lease, join in a written instrument effecting the merger and duly record the same.

28.5 **Costs and Attorney Fees.** If any suit, action, arbitration, or other proceeding of any nature whatsoever, including (without limitation) any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Lease or any provision of this Lease, the prevailing party will be entitled to recover from the losing party its reasonable attorney fees as well as reasonable fees for paralegals, accountants, and other experts and professionals and all other fees, costs, and expenses actually incurred and reasonably necessary in connection with the proceeding, including (without limitation) deposition and expert fees and costs incurred in creating exhibits and reports, as determined by the judge or arbitrator at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

28.6 **Entire Agreement; Counterparts.** This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. Tenant and Landlord mutually acknowledge and agree that there are no verbal agreements or other representations, warranties, or understandings affecting this Lease. This Lease may be executed in any number of counterparts, including by fax signatures, each of which will constitute an original, but all of which will constitute one Lease.

28.7 **Applicable Law.** This Lease will be governed by, and construed in accordance with, the laws of the State of Oregon.

28.8 **Brokerage.** Landlord and Tenant represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other, and that no brokerage fees are due to any third parties as a result of this Lease.

28.9 **Broker Disclosure.** Josh Fuhrer, Executive Director of Landlord, holds a Real Estate Broker License in the State of Oregon. Mr. Fuhrer is not functioning as a real estate broker in this transaction and is not receiving any fee for acting as a broker.

28.10 **Binding Effect.** The covenants and agreements contained in this Lease are binding on and inure to the benefit of Landlord, Tenant, and their respective successors and assigns.

28.11 **Recordation of Lease.** Tenant may elect that a memorandum of this Lease, executed and acknowledged by both parties, be recorded in the public records of Multnomah County, Oregon in substantially the same form as Exhibit D. Tenant will pay the recording costs.

28.12 **Time** Is **of the Essence.** Time is of the essence as to the performance of all the covenants, conditions, and agreements of this Lease.

28.13 **Interpretation.** In interpreting this Lease in its entirety, the printed provisions of this Lease and any additions written or typed thereon must be given equal weight, and there must be no inference, by operation of law or otherwise, that any provision of this Lease may be construed against either party hereto. Landlord and Tenant acknowledge that they and their counsel have reviewed and revised this Lease and that any otherwise applicable rule of construction or any other presumption to the effect that any ambiguities are to be resolved against the drafting party will not be used in the interpretation of this Lease or any exhibit or amendment hereto.

28.14 **Headings, Captions, and References.** The headings and captions contained in this Lease are for convenience only and do not in any way define, describe, limit, or amplify the scope or intent of this lease or any term or provision in it. The use of the term "Herein" refers to this Lease as a whole, inclusive of the Exhibits, except when noted otherwise. The use of a . masculine or neuter gender in this Lease includes the masculine, feminine, and neuter genders and the singular form includes the plural when the context so requires.

28.15 **Relationship of Parties.** Nothing contained in this Lease is to be deemed or construed, either by the parties to this Lease or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture, or other association between Landlord and Tenant.

28.16 **USA PATRIOT Act Compliance.** Tenant represents to Landlord that Tenant is not (and is not engaged in this transaction on behalf of) a person or entity with which Landlord is prohibited from doing business pursuant to Antiterrorism Laws. "Antiterrorism Laws" means any law, regulation, or executive order pertaining to national security and specifically includes, but is not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of2001 (the PATRIOT Act) (Pub L 107-56, 115 Stat 272); the Bank Secrecy Act (31 USC§ 5311 *et seq.);* the Trading with the Enemy Act (50 USC App§ 1 *et seq.);* the International Emergency Economic Powers Act (50 USC §§ 1701-1706); sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control, as well as laws related to the prevention and detection of money laundering in **18** USC Sections 1956 to 1957. Tenant hereby agrees to indemnify, defend, and hold Landlord harmless from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney fees and costs at trial and on appeal) arising from or related to any breach of the foregoing warranty, representation, and certification. Following a Transfer, Tenant will cause the transferee (including, but not limited to, an assignee, subtenant, and licensee), for the benefit of Landlord, to reaffirm, on behalf of such transferee, the representations of, and to otherwise comply with the obligations set forth in this Section 28.16, and it is reasonable for Landlord to refuse to consent to a Transfer in the absence of such reaffirmation and compliance.

28.17 **Discrimination.** Tenant, for itself and its successor and assigns, agrees that, during the construction of the Project, Tenant will not discriminate against any contractor, employee or applicant for employment because of race, color, ethnicity, religion, marital status, disability, political affiliation, age, gender, sexual orientation or national origin.

28.18 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

28.19 **Waivers.** No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Lease shall be considered a waiver of any other rights of the Party making the waiver. No waiver by Landlord or Tenant of any provision of this Lease or any breach thereof, shall be of any force or effect unless in writing and no such waiver shall be construed to be a continuing waiver.

28.20 **Venue, Consent to Jurisdiction.** Any action or suit to enforce or construe any provision of this Lease by any Party must be brought in the Circuit Court of the State of Oregon for Multnomah County or, if the action or suit must be brought in a federal forum, the United States District Court for the District of Oregon in Portland, Oregon. Each Party, by execution of this Lease, consents to the in personam jurisdiction of said courts.

28.21 **Calculation of Time.** All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the state of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.

28.22 **Construction.** In construing this Lease, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

28.23 **Legal Purpose.** Tenant agrees to use the Project solely for lawful purposes.

28.24 **Amendments and Modifications.** Any modifications to this Lease must be made in writing and executed by all Parties, with the approval of the governing body of the Landlord, if required.

28.25 **Successors and Assigns.** Subject to the provisions of Article 7, the benefits conferred by this Lease, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and permitted assigns of the Parties.

28.26 **Non-waiver of Government Rights.** Subject to the terms and conditions of this Lease, by making this Lease, Landlord is specifically not obligating itself, the City of Gresham, or any other agency with respect to any discretionary action relating to development or operation of the improvements to be constructed on the Property, including, but not limited to, rezoning, variances, environmental clearances or any other governmental approvals which are or may be required.

28.27 **Approvals.** Where this Lease requires the approval of Landlord, Landlord will approve or disapprove in writing within forty-five (45) days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary, and further excepting construction change orders, to the extent governed by applicable loan documents, which will be processed according to the applicable loan documents. Failure by Landlord to approve or disapprove within said period of time shall be deemed an approval. Any disapproval shall state the reasons for such disapproval. Approvals will not be unreasonably withheld, conditioned, or delayed, except where rights of approval are expressly reserved to Landlord's sole discretion in this Lease. Tenant, upon receipt of such disapproval, may revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to Landlord.

28.28 **Approval by Landlord's Director.** Except as provided for elsewhere in this Lease, whenever consent or approval by Landlord is required under the terms of this Lease, all such consents or approvals shall be given in writing from the Executive Director of Landlord or his or her designee.

28.29 **No Third-Party Beneficiary Rights.** Except for the rights of any Permitted Leasehold Mortgagees, no person not a party to this Lease is an intended beneficiary of this Lease, and no person not a party to this Lease shall have any right to enforce any term of this Lease.

28.30 **Confidentiality.**

(a) Except for published information or information ascertainable from public records, any confidential information furnished or disclosed by either party in connection with the Project, will be held in confidence and will not be divulged to any third party, except for a Party's advisors and consultants or as may be necessary to further the development of the Project.

(b) Tenant acknowledges that information provided to the Landlord is subject to the Oregon Public Records Law (ORS 192.410 to 192.505). If the Tenant submits information to the Landlord in confidence which should be reasonably considered to be confidential, such as Tenant's **or** Tenant's members' financial information, projected Project costs, Project proforma statements, lender correspondence or documentation, information, or Tenant's member's personal information, and the Landlord obliges itself in good faith not to disclose the information, the Landlord will consider whether the public interest will suffer from the disclosure of such information, and if so, to the extent allowed by state law, Landlord will hold in confidence such information, and will not divulge such information to any third party, except for Landlord's advisors and consultants. To be considered confidential information, any materials submitted must be marked as "Submitted in Confidence" or "Confidential" on the first page of any such materials. As between the Parties, the Landlord's decision to disclose or to hold information in confidence shall be final.

(c) In the case of Tenant default, then Tenant will return all confidential information to the Landlord.

28.31 **Publicity**

(a) **Cooperation Regarding Initial Announcements.** The parties shall cooperate to draft all appropriate press releases and other public announcements relating to the execution of this Lease and the relationship between the parties. This provision shall not require consent or Landlord involvement in general promotional information Tenant may provide on its website or through other means.

(b) **Disclosure of Tenant Identities.** Tenant shall not issue any public announcement or press release regarding the identity of prospective tenants of the Project without giving Landlord at least five (5) days' prior written notice. Landlord shall not issue any public announcement or press release regarding the identity of prospective tenants of the Project without Tenant's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. If, during the Lease Term, Landlord ceases efforts to help identify prospective tenants for the Project, Landlord will give Tenant written notice of the cessation, in which event Tenant shall no longer be obligated to provide prior notice of such announcements to Landlord unless and until Landlord resumes efforts to help identify prospective subtenants and gives Tenant written notice of such resumption and Landlord expressly requests that Tenant resume giving Landlord prior written notice of such public announcements.

28.32 **Incorporation.** The exhibits attached to this Lease are incorporated into and made a part of this Lease.

Article 29
LANDLORD'S RIGHT OF FIRST OFFER

29.1 **Right of First Offer.** Except as provided in Section 29.1(e), Tenant agrees not to sell, transfer, exchange, grant an option to purchase, or otherwise dispose of Tenant's interest in (i) the Premises, (ii) the Improvements, or (iii) this Lease (collectively, "Tenant's Interest"), or any part thereof, without first offering such property to Landlord on the terms and conditions set forth in this paragraph 29.1.

(a) Tenant shall offer the property to be sold (the "Offered Property") by written notice to Landlord ("Tenant's Offer") identifying the Offered Property. Tenant's Offer shall state the terms upon which, in good faith, Tenant is willing to sell the Offered Property, including:

(i) The purchase price;
(ii) The required earnest money deposit ("Deposit");
(iii) The terms for payment of the purchase price;
(iv) The condition of title that Tenant will deliver at closing;
(v) The form of the conveyance instrument which Tenant will deliver

at closing;

(vi) The type and dollar amount of title insurance for the benefit of the buyer, if any, that Tenant will procure and pay for;

(vii) The date of closing;

(viii) The allocation of closing costs and fees and the basis on which any income and expenses relating to the Offered Property will be prorated between Tenant and the buyer; and

(ix) Any other material terms.

Tenant further agrees to promptly provide Landlord with any information or documents pertaining to the Offered Property and the contemplated sale that Landlord may reasonably request so long as such information or documents are in Tenant's possession or control and can be provided at no substantial expense to Landlord. To the extent that Tenant's Offer fails to address any issue that needs to be resolved in order to close the sale, then the common practice in the county and state where the Offered Property is located for similar transactions shall govern; provided, however, that unless specifically contained in Tenant's Offer, Tenant shall not be required to make any representations or warranties in connection with the sale other than standard title warranties, authority to complete the transaction, and that all information provided by Tenant to Landlord in Tenant's Offer is true and correct.

The purchase price for the Offered Property shall be paid in cash.

(b) Acceptance or Rejection of Tenant's Offer.

(i) Landlord shall have forty-five (45) days after receipt of Tenant's Offer to deliver a written response to Tenant that Landlord agrees to either (i) accept Tenant's Offer and purchase the Offered Property on the terms set out therein; or (ii) negotiate the terms of Tenant's Offer as required herein.

(ii) If Landlord does not provide Tenant a written response to Tenant's Offer within such 15 day period, upon the expiration of said 15 day period, Landlord shall be deemed not to have accepted Tenant's Offer, and Tenant may immediately offer to sell the Offered Property to any third party on not More Favorable Terms than those in Tenant's Offer and subject to 29.l(d) herein.

(iii) If Landlord timely accepts Tenant's Offer, the sale of the Offered Property shall be closed in accordance with the terms of Tenant's Offer by a national title insurance company selected by Landlord, subject to the reasonable approval of Tenant, as escrow agent. Landlord shall also immediately place in escrow the required deposit set forth in Tenant's Offer. Notwithstanding the above or any other term or provision of this right of first offer, Landlord shall have a period of at least thirty (30) days (or more if so provided in Tenant's Offer) after receipt of all Tenant's documents to complete Landlord's due diligence investigation of the Offered Property and Tenant's documents. For the purpose of such review, Landlord shall be entitled to enter the Offered Property to conduct such tests and investigation as Landlord deems appropriate in its sole discretion, Landlord shall first provide Tenant with written notice of such entry, and Landlord's entry shall not disturb the quiet enjoyment of any tenant on the Offered Property, nor shall Landlord be entitled to undertake do any destructive or invasive testing or investigation. In connection with such entry, Tenant will indemnify, defend, and hold Landlord harmless from any and all claims, demands, losses, costs, and liabilities, including reasonable attorney fees and legal expenses arising from Landlord's or its consultants' or contractors' entry onto the

Offered Property pursuant to the terms of this provision. If Landlord is not satisfied with the results of its investigation within such thirty (30) day period, Landlord shall be entitled to provide notice to Tenant of Landlord's termination of Landlord's intent to purchase the Offered Property, and such notice shall have the same effect as if Landlord had rejected Tenant's Offer in the first instance.

(iv) If Landlord seeks to negotiate a Tenant's Offer made hereunder, Landlord shall give Tenant written notice of Tenant's request for negotiation, and the parties shall mutually execute a revised and final Tenant's Offer no later than thirty (30) days following Tenant's receipt of Landlord's written notice to negotiate Tenant's Offer (hereinafter the "Negotiation Period"). Tenant will act in good faith as to scheduling and attending meetings with Landlord during the Negotiation Period, provided that nothing herein shall be deemed in any manner to require that Tenant change any terms of Tenant's Offer and any proposed changes to Tenant's Offer may be made or rejected by Tenant, in Tenant's sole and absolute discretion.

(v) If Landlord accepts Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, Landlord and Tenant shall cooperate with one another to facilitate the sale of the Offered Property in accordance with this right of first offer. Both parties agree that they will execute such additional instruments and take such actions as may be reasonably requested by the other in order to confirm, perfect, or otherwise carry out the intent and purposes of this right of first offer.

(vi) If Landlord accepts Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, and fails without legal excuse to close the purchase in accordance with the terms of Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, then this right of first offer shall immediately terminate, Landlord's earnest money shall be forfeited as Tenant's sole and exclusive remedy, and Tenant may sell the Offered Property or any part thereof free of any of the restrictions or obligations contained herein.

(c) If Landlord does not accept Tenant's Offer and the Negotiation Period, if any, expires for said offer, and (i) Tenant has not closed the transfer of the Offered Property to a third party within one (1) year after the date either Landlord has rejected Tenant's Offer or the time in which Landlord could accept Tenant's Offer has expired, and Tenant wishes to sell the Offered Property, or (ii) Tenant wishes to sell the Offered Property on More Favorable Terms (as defined in subsection 29.l(d) below) to a third party other than those permitted under subsection 29.l(e), then Tenant must first submit another Tenant's Offer to Landlord for the Offered Property (on such More Favorable Terms, if applicable) before selling the Offered Property to said third party.

(d) An offer to sell the Offered Property to a third party shall be deemed to have "More Favorable Terms" than the Tenant's Offer if either: (i) the economic terms of the transaction as a whole in Tenant's offer to a third party regarding the Offered Property are more than three percent (3%) more favorable than the economic terms of the transaction as a whole in Tenant's Offer for the same property, or (ii) there is a material variation in the non-economic terms of the third party offer as compared to the non-economic terms of the Tenant's Offer.

Tenant and Landlord agree that the following terms in Tenant's offer to a third party or Landlord are not "economic terms" as defined in this right of first offer:

(i) dates and deadlines regarding closing, inspection contingencies, and due diligence regarding the Offered Property; and

(ii) the scope of any buyer's request for document review related to the Property during the inspection contingency and/or the due diligence period.

(e) This right of first offer shall not apply to any subleasing; to any transfer permitted under Section 18.1; to any sale or other transfer of any direct or indirect ownership interests in Tenant; to any transfers between Tenant and one or more of its direct or indirect owners; or to any transfers between Tenant and any entity in which one or more of its direct or indirect owners has an ownership interest.

(f) The right of first offer in favor of Landlord shall terminate upon the sale of the Offered Property in a manner consistent with this right of first offer after a Tenant's Offer has been made to Landlord. Upon the termination of the right of first offer in favor of Landlord for any reason, both parties shall cooperate in good faith to execute such documents as may be required to document the termination of the right of first offer of record in the County where the Offered Property is located.

(g) This right of first offer may not be assigned by Landlord separately from its interest in the Lease, except that Landlord may take title to the Offered Property in the name of an affiliate. Except as otherwise expressly limited herein, this right of first offer shall be binding upon and shall inure to the benefit of the successors and permitted assigns of Landlord and Tenant. For purposes of this paragraph, "affiliate" shall mean any entity in which Landlord or any direct or indirect owner of Landlord has an ownership interest or a controlling management interest.

(h) To be effective, a notice or other communications required or permitted under this right of first offer must be given, and shall deemed delivered, in the manner set forth in the Lease for giving of notices. In the event a party breaches the provisions of this Section 29.1, the non-breaching party shall have the right to exercise all remedies available at law and in equity, including the right to seek specific performance and other injunctive relief.

29.2 **Statutory Disclosure.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 O□ 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY TPIE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11,

CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

~~**Article 30.**~~

~~The Premises includes the Phase II Premises and the Landlord is in the process of creating a separate parcel for the Phase II Premises. Tenant agrees it will pursue, at its sole cost and expense, the Partition such that one parcel will contain the Premises based on the metes and bounds depicted as "Phase I" in Exhibit B attached hereto, and one parcel will contain the Phase~~

~~II Premises based on the metes and bounds depicted as "Phase II" in Exhibit B attached hereto . The Tenant shall use commercially reasonable best efforts to procure the approval of the Partition from the applicable governmental authorities within 120 days from the date hereof. During the Partition process the Landlord agrees to use commercially reasonable best efforts to cooperate with the Tenant in order to complete the Partition, and the Tenant will keep the Landlord informed as to any developments in connection therewith.~~

~~Upon the completion of the Partition (the "Partition Event"), the Landlord and the Tenant shall execute a partial termination of the Ground Lease, together with a memorandum thereof in recordable form, the sole purpose of which will be to terminate the Tenant's leasehold estate to the Phase II Premises created hereunder (the "Release Document"). Notwithstanding if the Release Document is executed and recorded, upon the Partition Event the leasehold estate to the Phase II Premises will be deemed to have simultaneously and automatically terminated under this Ground Lease.~~

IN WITNESS WHEREOF, Tenant and Landlord have caused this Lease to be executed by their duly authorized representatives as of the day and year first written above.

LANDLORD:

GRESHAM REDEVELOPMENT COMMISSION,
the duly designated Urban Renewal Agency of the City of Gresham.

By:___________________________

Justin Douglas~~Josh Fuhrer~~, Executive Director

APPROVED AS TO FORM:

____

Ellen Van Riper ~~David Ris~~, Attorney
Gresham Redevelopment Commission

TENANT:

ROCKWOOD RISING ~~MANAGEMENT~~, LLC, an Oregon limited liability company

By:___________________________

Roy Kim, Manager

EXHIBIT A

PROPERTY

Parcel 2, PARTITION PLAT NO.2019-53 ~~2018-9~~, in the City of Gresham, County of Multnomah and State of Oregon.

~~EXCEPTING therefrom that portion thereof described in Right-of-Way Dedication Recorded March 2018, as Recording No. 2018-024570.~~

~~FURTHER EXCEPTING therefrom that portion thereof described in Right-of-Way Dedication Recorded February 20, 2019, as Recording No. 2019-018067.~~

~~And~~

~~Parcel 1, PARTITION PLAT NO. 2015-97~~

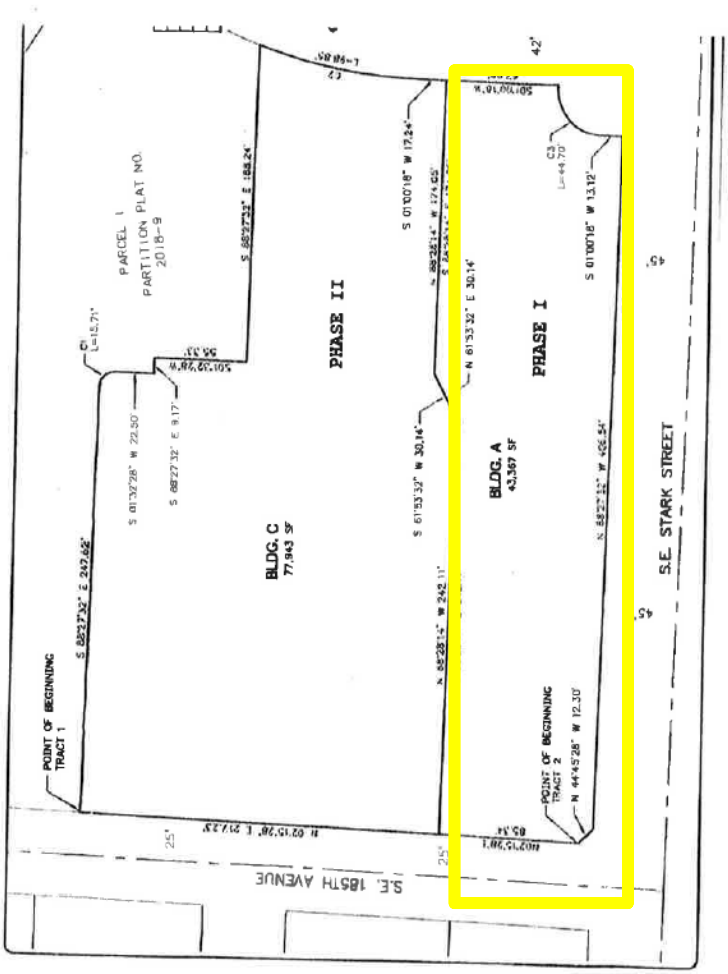
~~EXHIBIT A-2~~

~~A PORTION OF PARCEL 2, PARTITION PLAT NO. 2018-9, MULTNOMAH COUNTY PLAT RECORDS, BEING STIUATED IN THE SOUTHWEST¼ OF SECTION 32, TOWNSHIP 1 NORTH, RANGE 3 EAST, OF THE WILLAMETTE MERIDIAN, CITY OF GRESHAM, MULTNOMAH COUNTY, OREGON, BEING MORE PARTICUARLY DESCRIBED AS FOLLOWS:~~

~~BEGINNING AT THE NORTHWEST CORNER OF PARCEL 2, PARTITION PLAT NO. 2018-9, MULTNOMAH COUNTY PLAT RECORDS, BEING ON THE EAST RIGHT OF WAY LINE OF S.E. 185m AVENUE (25.0' FROM CENTERLINE); THENCE ALONG THE NORHERLY LINE OF SAID PARCEL 2, SOUTH 88°27'32" EAST, 247.62 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE, 15.71 FEET ON THE ARC OF A 10.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 90°00'00" (THE CHORD BEARS SOUTH 43°27'32" EAST, 14.14 FEET; THENCE SOUTH 01°32'28" WEST, 22.50 FEET; THENCE SOUTH 88°27'32" EAST, 9.17 FEET; THENCE SOUTH 01°32'28" WEST, 55.33 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 88°27"32" EAST, 188.24 FEET TO THE WEST RIGHT OF WAY LINE OF S.E.~~
~~187TH AVENUE (42.0 FEET FROM CENTERLINE); THENCE ALONG SAID WEST RIGHT OF WAY LINE, 98.85 FEET ON THE ARC OF A NONTANGENT 293.99 FOOT RADIUS CURVE (THE RADIUS POINT BEARS SOUTH 69°43'52" EAST) THROUGH A CENTRAL ANGLE OF 19°15'50" (THE CHORD BEARS SOUTH 10°38'13" WEST, 98.38 FEET); THENCE SOUTH 01°00'18" WEST, 17.24 FEET; THENCE NORTH 88°28'14" WEST,~~
~~174.05 FEET; THENCE SOUTH 61°53'32" WEST, 30.14 FEET; THENCE NORTH 88°28'13" WEST, 242.11 FEET TO THE EAST RIGHT OF WAY LINE OF SAID S.E. 185TH AVENUE; THENCE ALONG SAID EAST RIGHT OF WAY LINE, NORTH 02°15'28" EAST, 217.23 FEET TO THE POINT OF THE BEGINNING.~~

~~CONTAINING 77,943 SQARE FEET, MORE OR LESS~~

EXHIBIT B



PARCEL 1
PARTITION PLAT NO.
2018-9
PHASE II
PHASE I
BLDG. C
77,943 SF
BLDG. A
43,367 SF
POINT OF BEGINNING
TRACT 1
POINT OF BEGINNING
TRACT 2
S.E. STARK STREET
S.E. 185TH AVENUE

EXHIBIT C
Method of Calculating Purchase Option Price

The purchase price for purposes of Tenant's Purchase Option described in Article 27 shall be equal to the present value of all future annual Rent payments that would become due during the unexpired portion of the Initial Term (or if Tenant's election to exercise the Purchase Option is delivered during the First Extension Tenn or the Second Extension Tenn, the present value of all future annual Rent payments that would become due during the unexpired portion of such Extension Tenn), calculated as set forth in this Exhibit C. For purposes of such calculation, the stream of future annual Rent payments for the remainder of the Initial Tenn or Extension Term, as applicable, shall be estimated based on the most recent annual Rent amount then in effect, with an estimated future CPI increase factored into each of the remaining years' Rent payments. Such estimated CPI increases shall be based on the average annual increase in the CPI over the twenty-five (25) year period prior to Tenant's exercise of the Purchase Option. The potential reduction of such future annual Rent payments based on the Debt Coverage Ratio cap described in Section 3.l(c) shall be disregarded. The present value shall be calculated by applying a discount rate of four and one-half percent (4.5%) per annum.

A sample calculation of the purchase price, based on hypothetical numbers, is shown in the attached spreadsheet. The sample calculation assumes the following:

Purchase Option exercised in Year 25 Lease years remaining in Initial
Term: 35
Annual Rent in effect when Purchase Option is exercised: $214,155
Average annual CPI increase over the 25 years before Purchase Option is exercised: 2.37%

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	**Year 26**	**Year 27**	**Year 28**	**Year 29**	**Year 30**	**Year 31**	**Year 32**	**Year 33**	**Year 34**
Annual Rent Payment	**$214,155**	$219,230	$224,426	$229,745	$235,190	$240,764	$246,470	$252,312	$258,291	$264,413
Discount Factor		0.957	0.916	0.876	0.839	0.802	0.768	0.735	0.703	0.673
Present Value for Each Year	**$214,155**	$209,790	$205,514	$201,325	$197,221	$193,201	$189,263	$185,406	$181,627	$177,925
Total Present Value / Purchase Price	$5,286,454									

Page 2 of 5

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43
Annual Rent Payment	**$214,155**	$270,679	$277,095	$283,662	$290,384	$297,267	$304,312	$311,524	$318,907	$326,465
Discount Factor		0.644	0.616	0.590	0.564	0.540	0.517	0.494	0.473	0.453
Present Value for Each Year	**$214,155**	$174,298	$170,745	$167,265	$163,856	$160,516	$157,244	$154,039	$150,899	$147,824

Total Present Value / Purchase Price $5,286,454

Page 3 of 5

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	**Year 44**	**Year 45**	**Year 46**	**Year 47**	**Year 48**	**Year 49**	**Year 50**	**Year 51**	**Year 52**
Annual Rent Payment	**$214,155**	$334,202	$342,123	$350,231	$358,532	$367,029	$375,728	$384,632	$393,748	$403,080
Discount Factor		0.433	0.415	0.397	0.380	0.363	0.348	0.333	0.318	0.305
Present Value for Each Year	**$214,155**	$144,811	$141,859	$138,967	$136,135	$133,360	$130,642	$127,979	$125,370	$122,815

Total Present Value / Purchase Price $5,286,454

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60	TOTALS
Annual Rent Payment	**$214,155**	$412,633	$422,412	$432,424	$442,672	$453,163	$463,903	$474,898	$486,153	$11,748,700
Discount Factor		0.292	0.279	0.267	0.256	0.244	0.234	0.224	0.214	
Present Value for Each Year	**$214,155**	$120,312	$117,859	$115,457	$113,104	$110,798	$108,540	$106,328	$104,160	$5,286,454

Total Present Value / Purchase Price $\boxed{\$5,286,454}$

EXHIBIT D

This Box For Multnomah County Recording Use Only

GRESHAM

REDEVELOPMENT COMMISSION

After Recording return to: **Gresham Redevelopment Commission 1333 NW Eastman Parkway Gresham, Oregon 97030**

SEND FUTURE TAX STATEMENTS TO:
Rockwood Rising ~~Management~~, LLC 15160 NW Laidlaw Road, Suite 108 Portland, Oregon 97229

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (this "Memorandum") is date _______ by and between Gresham Redevelopment Commission, the duly designated urban renewal agency of the City of Gresham, which has an address of 1333 NW Eastman Parkway, Gresham, Oregon 97030 ("Landlord"), and ROCKWOOD RISING ~~MANAGEMENT,~~ LLC, an Oregon limited liability company, which has an address of 15160 NW Laidlaw Road, Suite 108, Portland, Oregon 97229 ("Tenant").

RECITALS

A. Landlord and Tenant entered into that certain Ground Lease dated_________, (the "Lease") with respect to the real property described on attached Exhibit A-1 and includes the real property described on attached Exhibit A~~-2~~ (the "Premises").

B. Landlord and Tenant desire to record this Memorandum to put third parties on notice of certain terms contained in the Lease.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Defined Terms.**
All capitalized terms not otherwise defined herein have the meaning ascribed in the Lease.

2. **Lease Term.**
The Term of the Lease expires on ________. Tenant has two (2) options to extend the Term of the Lease, the first option for an additional twenty (20) years, and the second option for an additional nineteen (19) years. The term of the Lease in connection with the Phase I Premises shall terminate immediately upon the occurrence of the Partition Event, as defined and described in

the Lease. Upon Occurrence of the Partition event, (i) the parties agree that this Memorandum will be deemed modified such that the Lease will be terminated as to the Phase II Premises and (ii) the parties agree to reasonable cooperate to execute and record such additional documents as necessary to evidence the foregoing.

3. Option to Purchase.

Tenant has an option to purchase and a right of first offer to purchase the Premises during the Term of the Lease pursuant to the terms and conditions set forth the Lease. Landlord has a right of first offer to purchase the Project and Improvements during the Term of the Lease pursuant to the terms and conditions set forth the Lease.

4. General.

a. This Memorandum must be construed in accordance with the laws of the State of Oregon.

b. This Memorandum may be executed in several counterparts and all so executed will constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

c. This Memorandum may be amended only by a written instrument executed in one or more counterparts by the parties hereto.

Statutory Disclosure. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

LANDLORD:

GRESHAM REDEVELOPMENT COMMISSION,
the duly designated Urban Renewal Agency of the City of Gresham.

By:______________________________

Justin Douglas~~Josh Fuhrer~~, Executive Director

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me this day of_________, 202~~19~~26, by ~~Josh Fuhrer~~ Justin Douglas, as the Executive Director of **GRESHAM REDEVELOPMENT COMMISSION,** the duly designated Urban Renewal Agency of the City of Gresham.

____
Notary Public for Oregon
My Commission Expires: _______________

TENANT:

ROCKWOOD RISING ~~MANAGEMENT~~, LLC,
an Oregon limited liability company,
By: ______________________
Name: ______________________
Title: ______________________

STATE OF OREGON)
County of _______________) ss.
)

This instrument was acknowledged before me this_________day of__________, 202~~19~~26, by _______________, the_________________ of ROCKWOOD RISING ~~MANAGEMENT~~, LLC, an Oregon limited liability company.

____
Notary Public for Oregon
My Commission Expires: ______________

EXHIBIT A

~~1~~ PROPERTY

Parcel 2, PARTITION PLAT NO. 2019-53 ~~2018-9~~, in the City of Gresham, County of Multnomah and State of Oregon.

~~EXCEPTING therefrom that portion thereof described in Right-of-Way Dedication Recorded March 2018, as Recording No. 2018-024570.~~

~~FURTHER EXCEPTING therefrom that portion thereof described in Right-of-Way Dedication Recorded February 20, 2019, as Recording No. 2019-018067.~~

~~And~~

~~Parcel 1, PARTITION PLAT NO. 2015-97~~

EXHIBIT A-2

~~A PORTION OF PARCEL 2, PARTITION PLAT NO. 2018-9, MULTNOMAH COUNTY PLAT RECORDS, BEING STIUATED IN THE SOUTHWEST¼ OF SECTION 32, TOWNSHIP 1 NORTH, RANGE 3 EAST, OF THE WILLAMETTE MERIDIAN, CITY OF GRESHAM, MULTNOMAH COUNTY, OREGON, BEING MORE PARTICUARLY DESCRIBED AS FOLLOWS:~~

~~BEGINNING AT THE NORTHWEST CORNER OF PARCEL 2, PARTITION PLAT NO. 2018-9, MULTNOMAH COUNTY PLAT RECORDS, BEING ON THE EAST RIGHT OF WAY LINE OF S.E. 185TH AVENUE (25.0' FROM CENTERLINE); THENCE ALONG THE NORHERLY LINE OF SAID PARCEL 2, SOUTH 88°27'32" EAST, 247.62 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE, 15.71 FEET ON THE ARC OF A 10.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 90°00'00" (THE CHORD BEARS SOUTH 43°27'32" EAST, 14.14 FEET; THENCE SOUTH 01°32'28" WEST, 22.50 FEET; THENCE SOUTH 88°27'32" EAST, 9.17 FEET; THENCE SOUTH 01°32'28" WEST, 55.33 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 88°27"32" EAST, 188.24 FEET TO THE WEST RIGHT OF WAY LINE OF S.E. 187TH AVENUE (42.0 FEET FROM CENTERLINE); THENCE ALONG SAID WEST RIGHT OF WAY LINE, 98.85 FEET ON THE ARC OF A NONTANGENT 293.99 FOOT RADIUS CURVE (THE RADIUS POINT BEARS SOUTH 69°43'52" EAST) THROUGH A CENTRAL ANGLE OF 19°15'50" (THE CHORD BEARS SOUTH 10°38'13" WEST, 98.38 FEET); THENCE SOUTH 01°00'18" WEST, 17.24 FEET; THENCE NORTH 88°28'14" WEST, 174.05 FEET; THENCE SOUTH 61°53'32" WEST, 30.14 FEET; THENCE NORTH 88°28'13" WEST, 242.11 FEET TO THE EAST RIGHT OF WAY LINE OF SAID S.E. 185TH AVENUE; THENCE ALONG SAID EAST RIGHT OF WAY LINE, NORTH 02°15'28" EAST, 217.23 FEET TO THE POINT OF THE BEGINNING.~~

~~CONTAINING 77,943 SQARE FEET, MORE OR LESS~~

EXHIBIT E
PERMITTED EXCEPTIONS

Order No.: 472518002148
Supplement - No. 3 (update)

AS OF THE DATE OF THIS REPORT, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM WOULD BE AS FOLLOWS:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims, which are not shown by the Public Records but which could be ascertained by an inspection of the Land or which may be asserted by persons in possession thereof.
3. Easements, or claims thereof, which are not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
5. Any lien, or right to a lien, for services, labor, material or equipment rental, or for contributions due to the State of Oregon for unemployment compensation or worker's compensation, heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

SPECIFIC ITEMS AND EXCEPTIONS:

6. [Intentionally Deleted]
7. [Intentionally Deleted]
8. [Intentionally Deleted]
9. [Intentionally Deleted]
10. [Intentionally Deleted]

11. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: Sidewalk
Recording Date: January 15, 2003
Recording No.: 2003-010366
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
12. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: Sidewalk
Recording Date: January 15, 2003
Recording No.: 2003-010367
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
13. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: **Sidewalk**
Recording Date: January 15, 2003
Recording **No.:** 2003-010368
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
14. Restrictions, but omitting restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said restriction is permitted by applicable law, as shown on recorded PARTITION PLAT NO. 2015-97:
Recording Date: November 25, 2015
Recording No.: 2015-149706
Affects both Parcels described herein
15. Revocable License For Private Use Of Public Right-Of-Way Agreement, including the terms and provisions thereof;
Executed by: The City of Gresham and Gresham Redevelopment Commission
Recording Date: August 31, 2017
Recording No.: 2017-105121
Affects both Parcels described herein
16. [Intentionally Deleted]
17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: City of Gresham
Purpose: public sidewalks
Recording Date: March 6, 2018
Recording No.: 2018-024571
(Affects Parcel 2, Partition Plat No. 2018-9)
18. Landscape Maintenance Agreement, including the terms and provisions thereof;
Recording Date: May 2, 2018
Recording **No.:** 2018-046715
(Affects Parcel 2, Partition Plat No. 2018-9)
19. [Intentionally Deleted]

20. **[Intentionally Deleted)**

21. [Intentionally Deleted.]

22. [Intentionally Deleted]

23. ***AMENDED***
Matters set forth in ALTNNSPS survey prepared by Emerio Design, dated December 28, 2018, Job No. 203-004, as follows:
[a.] Alley is being used as public right-of-way, no easement provided (Parcel I)

24. Memorandum of Agreement (Land Development Agreement), including the terms and provisions thereof;
By and Between: Gresham Redevelopment Commission and Rockwood Rising, LLC
Recording Date: July 11, 2018
Recording No.: 2018-072831
(Affects Parcel 2, Partition Plat No. 2018-9)

ADDED - Memorandum of Amendment No. One
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.

Recording Date: May 10, 2019
Recording No.: 2019-047016

ADDED - Amendment No. Two, Land Development Agreement for Rockwood Rising
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.

Recording Date: May 10, 2019
Recording No.: 2019-047017

ADDED - Amendment No. Three, Land Development Agreement for Rockwood Rising,
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831cluding the terms and provisions thereof,

Recording Date: September 14, 2020
Recording No.: 2020-116367

Commented [AP1]: I added Amendment No. 3 per the title report and moved all three amendments up to here so they appear with the original filing they are amending.

25. ***ADDED***
Decommissioning Waiver, including the terms and provisions thereof;
By and Between: City of Portland Bureau of Developmental Services and Gresham Redevelopment Commission
Recording Date: January 7, 2019
Recording No.: 2019-001696
Re-Recording Date: January 8, 2019
Re-Recording No.: 2019-002085

26. ***ADDED***
Operations & Maintenance Form for stormwater management facilities, including the terms and provisions thereof:
Recording Date: February 13, 2019
Recording No: 2019-016185

27. ***ADDED***
Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: City of Gresham
Purpose: public street lighting facilities
Recording Date: February 20, 2019
Recording No.: 2019-018066
(Affects the westerly portion of Parcel II)

28. ***ADDED***
The following matters relative to any leasehold estate or leasehold interest to be insured under the proposed policy;
a) The Company will require a full copy of the lease to be insured, together with all supplements, assignments and amendments for review. If a memorandum or short form of the lease is to be recorded, a full copy of the executed lease is still required.
b) Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by making inquiry of the lessors and their successors interest in the lease described or referred to in this report.

c) Proof that there are no parties in possession, or claiming to be in possession, other than the vestees shown herein.
The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

~~ADDED - Memorandum of Amendment No. One~~
~~Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.~~

~~Recording Date: May 10, 2019~~
~~Recording No.: 2019-047016~~

~~ADDED - Amendment No. Two, Land Development Agreement for Rockwood Rising~~
~~Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.~~

~~Recording Date: May 10, 2019~~
~~Recording No.: 2019-047017~~
~~ADDED - Amendment No. Three, Land Development Agreement for Rockwood Rising,~~
~~Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831cluding the terms and provisions thereof,~~

~~Recording Date: September 14, 2020~~
~~Recording No.: 2020-116367~~

Notwithstanding the foregoing, Exceptions 1-5 and 23 shall not be "Permitted Exceptions" if Developer pays the additional premium for extended title insurance coverage and, where applicable, provides an updated survey if required by the title company.

EXHIBIT F

ANNUAL DEBT COVERAGE RATIO

1. Adjusted Net Operating Income (NOI)*** __________
2. Capital Expenditures __________
3. Reserve Payments (Other than Tax and Insurance)**** __________
4. Operating Reserve***** __________
5. Principal Payments __________
6. Mortgage Interest Payments __________
7. Debt Coverage Ratio (1-2-3-4)/(5+6) __________

*** NOI is Operating Income less Operating Expenses, excluding mortgage interest, depreciation and amortization. This DOES include the current year land lease payment.

**** Taxes and Insurance will be treated on an accrual basis and recognized in the month they were incurred. Therefore, do not adjust for reserve payments or cash payments.

***** The Operating Reserve will be equal to one month averaging operating expenses from the trailing 12 months excluding mortgage interest, or one month mortgage interest, which ever is the smaller amount.

If the annual DCR is below 1.25~~0~~, then the annual land lease payment will be reduced by the amount required to bring the DCR up to 1.25~~0~~. The annual land lease payment is not cumulative; i.e. reductions in lease payment are not caught up in future years.

GROUND LEASE
ROCKWOOD RISING

This GROUND LEASE (this "Lease") is made and entered into on May 10, 2019 (the "Commencement Date"), by and between GRESHAM REDEVELOPMEN T COMMISSION, the duly authorized and acting urban renewal agency of the City of Gresham, Oregon ("Landlord"), and ROCKWOOD RISING, LLC, an Oregon limited liability company ("Tenant").

RECITALS

A. In furtherance of the objectives of Oregon Revised Statutes Chapter 457 and Article 2.24 of the Gresham Revised Code, Landlord has undertaken a program for the development and redevelopment of blighted areas within the city limits and in connection therewith prepared an Urban Renewal Plan for the Rockwood-West Gresham Urban Renewal Area, which was approved by the citizens of Gresham by city-wide vote on November 4, 2003 as required by Section 36A of the Charter of the City of Gresham.

B. Landlord, finding it necessary and in the public interest to implement the Urban Renewal Plan, acquired the property in the Rockwood-West Gresham Urban Renewal Area as described in Exhibit A- (the "Property").

C. Landlord intends for the Property to serve as a catalyst for further redevelopment to further the following Rockwood-West Gresham Renewal Plan Goals:

- Goal 1 Public Involvement
- Goal 2 Improve Rockwood Town Center
- Goal 4 Help Create and Retain Family Wage Jobs by Improving Industrial and Commercial Areas
- Goal 6 Parks and Recreation Facilities
- Goal 7 Improve Transportation
- Goal 8 Promote Quality Development;

D. In furtherance of these redevelopment objectives, on September 16, 2015, Landlord issued Request for Expressions of interest Number 16-03 for redevelopment of the Property;

E. On November 17, 2015, Landlord selected Tenant as the developer for the Property, and Landlord and Tenant entered into negotiations for conveyance of an interest in the Property to Tenant and for Tenant's redevelopment of the Property as "Rockwood Rising."

F. On May 17, 2016, Landlord and Tenant entered into a non-binding Memorandum of Understanding (MOU) which describes in general terms the joint objectives of the redevelopment of the Property.

G. The Parties negotiated a Land Development Agreement (LOA) dated as of June 19, 2018, as amended by Amendment No. One and Amendment No. Two, setting forth the terms and conditions under which Landlord will convey a leasehold interest in the Property to Tenant and Tenant will redevelop the Property as Rockwood Rising.

H. Pursuant to Section 16 of Enrolled Senate Bill 5530, 2017 Oregon Legislature Regular Session, Landlord has entered into a State of Oregon Lottery Revenue Bonds Grant Agreement (the "Lottery Agreement") with the State of Oregon, acting by and through its Department of Administrative Services ("DAS") as amended by Amendment #1. The Lottery Agreement, as amended, has been approved by Tenant. The Lottery Agreement requires a portion of Building A to be used as an innovation and workforce training center known as the Rockwood Innovation Center (the "Innovation Center").

I. Effective as of May 10, 2019 (the "Original Commencement Date")Landlord, leased the real property described on attached Exhibit A, together with any and all rights, privileges, easements, and appurtenances (collectively, the "Premises") to Rockwood Rising Management, LLC, an Oregon limited liability company (RRM), pursuant to a Ground Lease between Landlord and RRM (the "Original Ground Lease"), with respect to which a Memorandum of Ground Lease was recorded in the Official Records of Multnomah County as document number 2019-047018. The Premises consists of approximately 0.99 acres and is located within the approximately five-acre Catalyst Site, bounded by SE Stark Street, SE 188th Avenue, SE 185th Avenue and E Burnside Street, directly south of the Rockwood/E 188th St MAX Station.

J. On the Original Commencement Date, RRM subleased the Premises to Tenant pursuant to a Ground Lease between RRM, as "Lessor" and Tenant, as Lessee (the "Project Ground Lease"), with respect to which a Memorandum of Ground Lease was recorded in the Official Records of Multnomah County as document number 2019-047020, for purposes of the development and construction on the Premises of the buildings (the "Building"), surface parking lot, and related site improvements as generally described in the plans approved pursuant to the Land Development Agreement (collectively, the "Project"). The Project and any future alterations, additions, replacements, or modifications to the Project during the Term (defined in Section 2.2) of this Lease are collectively referred to in this Lease as the "Improvements."

K. In order to facilitate the refinancing of certain obligations undertaken by RRM and Tenant as of the Original Closing Date, and in furtherance of the continued use and operation of the Premises and Improvements as contemplated by the Urban Renewal Plan and the Land Development Agreement, Landlord, RRM, and Tenant have agreed to release and terminate the Original Ground Lease and replace it in its entirety with a new ground lease (this "Lease") by and between Landlord and Tenant on substantially identical terms and conditions as the Original Ground Lease, as set forth herein.

L.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Lease agree as follows:

Article 1
PREMISES

Landlord does hereby demise, lease, and let unto Tenant, and Tenant does hereby take and lease from Landlord, the Premises for the term and on the rents, conditions, and provisions herein.

Article 2
LEASE TERM

2.1 **Initial Term.** Starting on the Original Commencement Date, the Premises will be leased for a term of sixty (60) years (the "Initial Term"), unless earlier terminated pursuant to the terms of this Lease.

2.2 Extension Terms.

(a) First Extension. If Tenant is not then in default under the Lease, Tenant has the option to extend the Initial Term for an additional period of twenty (20) years (the "First Extension Term") by providing written notice thereof to Landlord no less than one-hundred eighty (180) days before the expiration of the Initial Term (the Initial Term, if and as extended by the First Extension Term, is referred to in this Lease as the "Term"). Upon exercise of this option to extend, the term of this Lease will be extended through the expiration date of the First Extension Term, on the same terms and conditions as contained in this Lease, except for Rent (which will be determined in accordance with Section 3.2 below).

(b) Second Extension. If at the end of the First Extension Term, Tenant is not then in default under the Lease, Tenant has the option to extend the First Extension Term for an additional period of nineteen (19) years (the "Second Extension Term") by providing written notice thereof to Landlord no less than one-hundred eighty (180) days before the expiration of the First Extension Term (the Initial Term, First Extension Term and Second Extension Term, if and as extended by the Extension Terms, is referred to in this Lease as the "Term"). Upon exercise of this second option to extend, the term of this Lease will be extended through the expiration date of the Second Extension Term, on the same terms and conditions as contained in this Lease, except for Rent (which will be determined in accordance with Section 3.2 below), and except that Tenant will no longer have an extension option.

Article 3
RENT

3.1 **Rent for Initial Term.** Tenant agrees to pay to Landlord annual rent in the amount of three percent (3%) of Appraised Value (as defined below) of the Property ("Rent") beginning on the first day of the first whole month that is eight (8) years after issuance of a certificate of occupancy by the City of Gresham for the Project (the "Rent Commencement Date"). The annual Rent due on the first anniversary of the Rent Commencement Date will be six percent (6%) of Appraised Value, and the Annual Rent payment so calculated shall increase or decrease each year thereafter by any CPI adjustment described below, but in no event will annual Rent be decreased below six percent (6%) of Appraised Value.

(a) **CPI Adjustment.** Each annual Rent payment after the first anniversary of the Rent Commencement Date (each, an "Adjustment Date"), shall be increased or decreased based on the percentage increase or decrease, if any, in the Consumer Price Index (the "Index") published by the United States Department of Labor, Bureau of Labor Statistics. The increase or decrease will be computed by comparing the schedule entitled "U.S. City Average, All Items, All Urban Consumers, 1982-84=100" for the latest available month preceding the month in which the previous Adjustment Date occurred (or for the first Adjustment Date, the month preceding the first anniversary of the Rent Commencement Date), and the same month preceding the current Adjustment Date. All comparisons will be made using Index figures derived from the same base period. If the Index cited above is revised or discontinued during the Term, a replacement government index shall be used which will yield substantially the same result as the original Index.

(b) **Determination of Appraised Value.** For purposes of this Lease, "Appraised Value" shall mean the most probable cash sales price of the Premises, as bare land, without improvements or entitlements, on a per square foot of land area basis, determined as of one month prior to the Original Commencement Date. The following shall apply to the determination of Appraised Value:

(i) The Premises shall be valued (exclusive of the diminution in value resulting from the existence of this Lease) based on a competitive and open market under conditions requisite to a fair sale, considering the following factors: (a) the parties are motivated; (b) the parties are well informed or well advised and each party is acting according to what it considers to be its own best interests; (c) a reasonable time is allowed for exposure in the open market; (d) payment is made in cash in U.S. Dollars, or other comparable financial arrangement; (e) the price represents the normal consideration for the Premises unaffected by special or creative financing or concessions granted by any person associated with the transaction; (f) the Premises is clean and uncontaminated; (g) the Premises value is based on its highest and best legal use, subject to current zoning and land-use laws and regulations, and all liens, claims, and encumbrances of record; and (h) the amount of rent paid under current leases of comparable properties.

(ii) Six months prior to the Rent Commencement Date, the parties shall retain an Oregon licensed MAI appraiser to determine the Appraised Value. The appraiser selected must have a minimum of ten years' commercial property appraisal experience including experience in appraising commercial properties of the nature of the Premises within the Portland, Oregon metropolitan area. The parties will share (in equal amounts) the cost of the appraisal.

(iii) If the parties cannot agree on a qualified appraiser within fifteen (15) days, each party will have fifteen (15) days following that 15-day period to select, and independently pay for, a qualified appraiser to determine the Appraised Value. Each appraiser selected must complete its final appraisal report and deliver a copy to each party within sixty (60) days of its selection. If the appraised values determined by the appraisals differ by no more than ten (10) percent of the appraised value of the higher appraisal, then the Appraised Value is the average of both appraisals. If the appraised values of the appraisals differ by more than ten (10) percent of the appraised value of the higher appraisal, then within ten (10) days after the date the appraisals are compared, the appraisers must appoint a third qualified appraiser; provided, however, that if the appraisers fail to so select a third appraiser, a third qualified appraiser must be appointed at the request of either party by the presiding judge of the Circuit Court of Multnomah County, Oregon. The sole responsibility of the third appraiser is to determine which of the appraisals is most accurate, and the third appraiser has no right to propose a middle ground or modify either of the appraisals. The third appraiser's choice must be submitted to the parties within fifteen (15) days after the third appraiser receives copies of the appraisals, and the choice of the third appraiser is conclusively binding on the parties. The parties will share (in equal amounts) the cost of the third appraiser.

(c) **Abatement of Annual Rent.** Notwithstanding anything in this Article 3 to the contrary, the annual Rent owed under this Lease shall be reduced by the amount necessary for Tenant to maintain a Debt Coverage Ratio for the trailing 12-month period equal to or greater than 1.250. For purposes of this determination, the "Debt Coverage Ratio" shall be calculated as follows, and as further explained in Exhibit F attached hereto:

Adjusted Net Operating Income ("NOI", as defined below), reduced by Capital Expenditures and Reserve Payments (excluding reserve payments for taxes and insurance as included in Operating Expenses), Operating Reserve (average one month Operating Expenses as incurred over the previous 12 months excluding mortgage interest, or one month mortgage interest, whichever is less), which sum shall be divided by the total sum of all principal and interest payments made on project financing during the preceding 12-month period.

For purposes of determining the Abatement of Annual Rent, NOI shall mean all Operating Income for the trailing twelve month period less Operating Expenses (including the current Rent due but excluding Rent paid for the prior year, mortgage interest, depreciation and amortization) for the same period. Income and Expenses will be determined on an accrual basis in accordance with GAAP. By way of example:

If the Rent payment is due on July 1, 2019 then the data from 7/1/2018 to 6/30/2019 would be used to determine the amount of Rent due on July 1, 2019. The current Rent due on July 1, 2019 shall be included in the calculation, but the prior year's Rent due on 7/1/2018 shall not be included.

If the Debt Coverage Ratio so determined is less than 1.250, the current Rent due and payable will be reduced by an amount necessary to increase the Debt Coverage Ratio to 1.250. The Rent amount (whether due in full or partially abated as necessary to maintain the DCR at 1.250) shall be due and payable in full on the due date.

In any year where the rent payment is either pro-rated or not payable under the DCR calculation, Tenant must fully disclose all payments made to related parties, affiliates, or subsidiaries. All payments made to related parties, affiliates, or subsidiaries shall not exceed fair and reasonable market rates as by determined by Landlord. If Landlord determines that a payment made by Tenant to a related party is unreasonable or otherwise not consistent with market rates for the same services offered by an unrelated party, Tenant shall provide supporting documentation affirming the reasonableness of such payment and consistency with market rates for the same services provided by unrelated third parties. Landlord may demand such payment be reduced to a competitive market rate for purposes the OCR calculation if it does not meet the reasonable and market rate test after reviewing supporting documentation.

In any year where the Tenant pays or requests to pay less than the full Rent, Landlord may require Tenant to submit independently reviewed annual income & operating expense reports for the previous 12-month period in order to validate that the OCR threshold for the rent abatement has been met.

The amount of any Rent reduction resulting from the above-described abatement of annual Rent shall be permanently abated and not carried forward to future lease years.

3.2 **Rent For Extension Term.** Rent for each year of the First and Second Extension Terms will continue to increase or decrease by an annual CPI adjustment in the manner described above.

3.3 **Payment of Rent.** Rent is payable .in advance, commencing on the Rent Commencement Date and thereafter on the anniversary of the Rent Commencement Date throughout the Term, without notice or demand and without abatement, deduction or setoff except as otherwise provided in this Lease. Rent and all other amounts payable to Landlord under the terms of this Lease must be delivered to Landlord at its office, located at 1333 NW Eastman Parkway, Gresham, Oregon 97030, or at another place that Landlord may designate by notice to Tenant, in lawful money of the United States.

3.4 **Late Charge and Interest.** If Rent or any other amount payable by Tenant to Landlord is not paid within 10 days after written notice that it is past due, Landlord may charge Tenant a late charge of five percent (5%) of the amount due. The parties agree that the late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment. Collection of the late charge will not be considered a waiver of default nor of any other right or remedy. In addition, all delinquent amounts must bear interest at the rate of eight percent **(8%)** per annum or the highest rate permitted by law, whichever is lower (the "Default Rate"), from the date first due until the date paid in full.

3.5 **Net Lease.** This Lease is an absolute net lease, and it is intended that the rent provided for in this Lease will be an absolutely net return to Landlord throughout the Term. Tenant will be responsible for paying all costs and expenses relating to the Premises and the Improvements, including real and personal property taxes, utilities, maintenance, repairs, interior and exterior structural repairs, interior and exterior nonstructural repairs, insurance, and all other costs and expenses relating to the Premises and the Improvements. Without notice or demand and without abatement, deduction, or setoff except as may be otherwise provided in this Lease, Tenant is required to pay, as additional rent, all sums, impositions, costs, and other payments that Tenant assumes or agrees to pay in any provision of this Lease. If Tenant fails to make a payment, Landlord will have (in addition to all other rights and remedies) all the rights and remedies provided for in this Lease or by law for nonpayment of the Rent.

Article 4
RESERVED

Article 5
USE AND COMPLIANCE WITH LEGAL REQUIREMENTS

5.1 **Permitted Use.** Tenant will use and occupy the Premises during the Term for the marketing, development, construction, and operation of the Project in compliance with the Lease covenants and with all applicable Legal Requirements (as defined in Section 5.2 below).

5.2 **Compliance with Legal Requirements.** Tenant will observe and comply with all Legal Requirements that may apply to the Premises, or to the use or manner of uses of the Premises, or the improvements or the owners or users of the Improvements, whether or not the Legal Requirements affect the interior or exterior of the Improvements, necessitate structural changes or improvements, or interfere with the use and enjoyment of the Premises or the Improvements, and whether or not compliance with the Legal Requirements is required by reason of any condition, event, or circumstance existing before or after the Term commences. Tenant will pay all costs of compliance with Legal Requirements.

"Legal Requirements" means all applicable present and future laws, ordinances, orders, rules, regulations, codes, and requirements of all federal, state, and municipal governments, departments, commissions, boards, and officers, that now or hereafter apply to the Premises, the Improvements, or any component hereof or �y activity conducted thereon, including but not limited to those pertaining to Environmental Laws and the use and storage of Hazardous Substances (as these terms are defined below) and, if applicable Treasury Regulations § 1.45D-1(d)(5)(iii)(B). With respect to the City of Gresham and any agency, department, commission, board, or officer thereof including GRDC, "Legal Requirements" shall mean only those requirements imposed in its governmental capacity and not in its capacity as landlord under this Lease, including, but not limited to, any recorded Landscape Maintenance Agreement and/or storm water management agreement required by the City as a condition of approval of the Project.

"Environmental Laws" means all present or future federal, state, and local laws or regulations related to the protection of health or the environment, including the Resource Conservation and Recovery Act of 1976 (RCRA) (42 USC§ 6901 *et seq.),* the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 USC§ 9601 *et seq.),* the Toxic Substances Control Act (15 USC§ 2601 *et seq.),* the Federal Water Pollution Control Act (the Clean Water Act) (33 USC § 1251 *et seq.),* the Clean Air Act (42 USC § 7401 *et seq.),* amendments to the foregoing, and any rules and regulations promulgated thereunder.

"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 Environmental Laws.

5.3 **Right to Contest.** Tenant will have the right, with prior written notice to Landlord, to contest by appropriate legal proceedings, diligently conducted in good faith, in the name of Tenant, without cost or expense to Landlord, the validity or application of any Legal Requirement subject to the following: (a) if, by the terms of any Legal Requirement, compliance may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge, or liability of any kind against all or any part of the Premises or the Improvements and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure to comply, Tenant may delay compliance until the final determination of the proceeding; or (b) if any lien, charge, or civil liability would be incurred by reason of any such delay, Tenant nevertheless may contest the matter and delay compliance as long as the delay would not subject Landlord to criminal liability or fine, and Tenant furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of the contest or delay, and prosecutes the contest with due diligence. Landlord will execute and deliver any appropriate papers that may be necessary or proper to permit Tenant to contest the validity or application of any Legal Requirement as long as Tenant has satisfied all the requirements of this Section and Landlord will incur no cost or material risk of penalty or enforcement action.

5.4 **Prohibited Uses.** Tenant will not use or occupy the Premises or the Improvements, or permit or suffer all or any part of the Premises or the Improvements to be used or occupied: (a) for any unlawful or illegal business, use, or purpose, including any illegal gambling; (b) in any manner so as to constitute a public nuisance of any kind; (c) for any purpose or in any way in violation of the certificate of occupancy, or of any Legal Requirements, including Legal Requirements respecting Hazardous Substances; or (d) for any business, use, or purpose generally deemed disreputable, including, but not limited to, adult businesses. Additionally, Tenant shall not permit all or any part of the Project or the Improvements to be used or occupied for any of the following uses without Landlord's prior written consent: (i) businesses involving the production, processing, handling, sale, or use of marijuana or marijuana-based products; (ii) nail or tanning salons, (iii) massage parlors, (iv) stores the principal business of which is the sale of alcoholic beverages for off-premises consumption (which restriction does not prohibit grocery, convenience store, or similar retailers that may sell alcohol), (v) casinos or other facilities used for gambling; (vi) motor vehicle sales, servicing, or repair; (vii) self-serve storage, other than for businesses leasing retail or restaurant space in the Project or nearby properties; (viii) heavy industrial uses; (ix) drive-through businesses; and (x) businesses that exclude minors from the entire premises at all hours of the day. Upon request, Landlord will consider in good faith any changes to the foregoing restrictions proposed by Tenant to reflect changes in Landlord or City policy or prevailing community standards. Landlord may institute legal action to void any lease entered into contrary to these provisions. In the event New Markets Tax Credits (NMTC) are used to finance any portion of the Project, any uses prohibited by Treasury Regulations § 1.450-1(d)(5)(iii)(B), as amended, shall also be excluded uses during the tax credit compliance period.

5.5 **Changes to Type of Use.** During the first twenty (20) years of the Lease Term, any change in the type of use of any material part of Premises shall require the prior written approval of Landlord. For purposes of this provision, "change in the type of use" shall mean (i) a change from retail use to office use or residential use, (ii) a change from office or medical use to retail use or residential use, or (iii) a change from parking use to another type of use.

5.6 **No Waste.** Tenant will not cause or permit any waste of the Premises or the Improvements and, except as otherwise permitted under this Lease, will promptly repair any damage, disfigurement, or injury to the Premises or the Improvements. Additionally, Tenant will have the right to demolish and remove any and all the Improvements on the Premises pursuant to and in accordance with the terms of Article 6 below.

5.7 **Compliance with Lottery Agreement.**

(a) Throughout the period such operation is required under the Lottery Agreement, which in no event shall be longer than 20 years, Tenant shall continue to operate the Innovation Center. For so long as the Lottery Agreement applies to the Premises, Landlord shall (i) timely comply with all of its obligations under the Lottery Agreement, and (ii) promptly provide Tenant with written notice of any known, suspected or alleged breach of the Lottery Agreement. If Landlord conveys the Property owned by Landlord to any third party while any obligation of Landlord or Tenant under the Lottery Agreement remains outstanding, Grantee will at the same time assign, and cause the transferee to assume, Grantee's rights and obligations under the Lottery Agreement.

(b) Notwithstanding anything in this Lease to the contrary, except to the extent such breach of the Lottery Agreement is directly caused by a breach of this Lease by Tenant, Landlord shall be solely responsible for and, to the fullest extent allowed by law, Landlord shall defend, indemnify, save and hold harmless and release the Tenant, its affiliates and lenders, and their respective officers, directors, members, managers, employees, and agents for, from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and reasonable attorneys' fees and expenses at trial, on appeal and in connection with any petition for review, arising out of or relating to any breach of the Lottery Agreement, the tax-exempt status of the Bonds described in the Lottery Agreement, including without limitation, any expenses incurred or amounts paid in connection with an inquiry, investigation, audit or similar proceeding by BOLI, the Internal Revenue Service, the Securities and Exchange Commission, Municipal Securities Rulemaking Board and any other federal, state, governmental or quasi-governmental body with regulatory jurisdiction over the Bonds, as such term is defined in the Lottery Agreement. Tenant shall defend, indemnify, save and hold harmless and release Landlord for, from and against any and all claims, demands, suits, actions, proceedings, losses, damages, liability and court awards, including costs, expenses, and reasonable attorneys' fees and expenses at trial, on appeal and in connection with any petition for review, arising out of or relating to any breach of the Lottery Agreement to the extent such breach of the Lottery Agreement is directly caused by breach of this Lease by Tenant.

5.8 **Annual Meeting Between Landlord and Tenant.** After issuance of the Certificate of Completion, Landlord and Tenant shall cause their representatives to meet annually during the first week of October, or as soon thereafter as reasonably practicable to discuss the Project and their respective thoughts and non-binding input regarding current and potential future leasing of space in the Project and potential alterations or improvements to the Project, the Improvements or the Premises, if any.

Article 6
PROJECT AND IMPROVEMENTS

6.1 **Construction, Modification, and Demolition of the Project and Improvements.** After Tenant's completion of the initial Improvements pursuant to the LDA, Tenant may, at any time and from time to time during the Term, at its cost and expense, construct, modify, demolish and rebuild the Project or Improvements on the Premises, except as follows.

(a) Tenant may not construct or demolish, or make material modifications to the exterior or structural components of the Project or Improvements on the Premises without the prior written consent of Landlord (excluding signage, exterior fixtures and street furniture, commercial storefronts, and landscaping, none of which shall require Landlord approval);

(b) Notwithstanding subsection (a), which provides that modifications to the commercial storefronts do not require Landlord approval, if Tenant desires to make material modifications to any commercial storefront, Tenant will furnish Landlord with proposed plans for such work and Landlord will have thirty (30) days after receipt of such plans and specifications in which to solicit from stakeholders and provide non-binding input regarding the proposed changes. Subtenant signage, relocation of doors, or substitution of a different type of door shall not be considered a material modification.

(c) If Tenant desires to construct, demolish, or modify the exterior or structural components of the Project or any Improvement and Landlord's approval is required pursuant to the foregoing subsection (a), Tenant will furnish Landlord with proposed plans and specifications for such work and Landlord will have sixty (60) days after receipt of such plans and specifications to either approve the plans and specifications or provide Tenant with reasonable comments on the plans and specifications; provided, however, Landlord's approval will be deemed given if Landlord fails to respond to Tenant's submittal or resubmittal within sixty (60) days. Tenant will address any reasonable comments so received from Landlord and submit revised plans and specifications to Landlord for approval. For any submission of revised plans and specifications, Landlord will have fifteen (15) days after receipt of such plans and specifications to either approve the revised plans and specifications or provide Tenant with any further reasonable comments Landlord may have on the revised plans and specifications; provided, however, Landlord's approval will be deemed given if Landlord fails to respond to Tenant's submittal or resubmittal within fifteen (15) days. The parties shall continue in such fashion until they have reached agreement on the proposed construction, demolition or modification;

(d) Upon completion of or modification to the Building, any portion of the Project or any Improvement, Tenant will provide Landlord with as-built plans for the completed work within thirty (30) days of receipt of Certificate of Occupancy of the completed Improvements or modifications.

6.2 **Title to the Project and Improvements.** Title to the Project and all Improvements constructed by Tenant will be and will remain in Tenant during the Tenn of the Lease. Title to Building D (including any alterations or improvements thereto) will remain in Landlord during the Term of the Lease. During the Tenn, Tenant is entitled, for all taxation purposes, to claim cost-recovery deductions and the like on the Project and all Improvements constructed by Tenant. At the expiration or earlier termination of the Lease, title to the Project and any Improvements remaining on the Premises that are not already owned by Landlord will automatically pass to, vest in, and belong to Landlord without further action on the part of either party and without cost or charge to Landlord.

6.3 **Notice of Construction.** After completion of the initial Improvements constructed pursuant to the LOA, Tenant agrees to notify Landlord in writing of Tenant's intention to commence construction of any other Improvements or modifications expected to cost more than $50,000 at least fifteen (15) days before commencement of any such work or delivery of any materials. The notice must specify the approximate location and nature of the intended Improvements, and the anticipated date that work will be commenced. Landlord will have the right at any time and from time to time to post and maintain on the Premises notices of nonresponsibility and such other notices as Landlord deems necessary to protect Landlord's interest in the Premises and the Improvements from the liens of mechanics, laborers, materialmen, suppliers, or vendors; and Landlord will have the right to inspect the Premises and the Improvements in relation to the construction at all reasonable times.

6.4 **Landlord Cooperation.** Landlord agrees to cooperate with Tenant in all respects in connection with Tenant's construction of the approved Project and any Improvements constructed in accordance with this Lease, including but not limited to, executing the applications and other instruments reasonably necessary for construction of the Project and/or Improvements. Except as provided in the LOA in connection with construction of the initial Improvements, Landlord will not be required to pay any application fees or incur any other costs or liabilities in connection with the Project or Improvements beyond Landlord's fees for any professional advice Landlord desires. Landlord will appear as a witness in any legal or administrative proceedings to the extent reasonably necessary to construct the Project or Improvements.

6.5 **Easements and Dedications.** Tenant and Landlord each recognize that in order to provide for the development of the Premises, it may be necessary, desirable, or required that street, water, sewer, drainage, gas, power line, and other easements and dedications and similar rights be granted or dedicated over or within portions of the Premises. Landlord agrees that it will, upon request of Tenant, join with Tenant in executing and delivering such documents, from time to time, and throughout the Term of this Lease as may be appropriate, necessary, or required by any governmental agency or public utility company for the purpose of granting such easements and dedications.

Article 7
TAXES AND UTILITIES

7.1 **Taxes Defined.** As used in this Lease, the terms "Tax" and "Taxes" mean any and all taxes, service payments in lieu of taxes, general or special assessments, excise taxes, transit charges, utility assessments, and any and all charges, levies, fees, or costs, general or special, ordinary or extraordinary, of any kind that are levied or at the direction of laws, rules, or regulations of any federal, state, or local authority on the Premises, the Project or the Improvements, or based on or otherwise in connection with the use, occupancy, or operations of the Premises, the Project or the Improvements, or with respect to services or utilities in connection with the use, occupancy, or operations of the Premises, the Project or the Improvements, or on Tenant with respect to its subleasing of the Premises, the Project or the Improvements, or on any act of subleasing space in the Project or Improvements, or in connection with the business of subleasing space in the Project or Improvements, including any tax on sublease rents, whether direct or as part of any "gross receipts" tax, and whether or not in lieu of, in whole or in part, ad valorem property taxes. Taxes will include, but not be limited to, state and local real property taxes, levies, and assessments, and except as set forth below, any other governmental impositions and governmental charges relating to the Premises, the Project, or the Improvements, including, but not limited to, any road-user or transportation-system-maintenance fee and any charges or fees measured by trip generation or length, parking spaces, impervious surfaces, buildings, vehicle usage, or similar bases for measurement.

Notwithstanding the foregoing, nothing in this Section or this Lease requires Tenant to pay any franchise, estate, inheritance, succession, capital levy, or transfer tax assessed to Landlord, or any income, excess profits, or revenue tax, or any other tax, assessment, charge, or levy on the Rent payable by Tenant under this Lease, all of which shall be the sole responsibility of Landlord and all of which Landlord shall pay before delinquency; provided, however, that if at any time during the Term the methods of taxation prevailing at the commencement of the Term are altered so that in lieu of any Tax under this Section there is levied, assessed, or imposed a tax, assessment, levy, imposition, or charge, wholly or partially as a capital license fee measured by the Rent payable by Tenant under this Lease, then all such taxes, assessments, levies, impositions, or charges or the part so measured or based, shall be deemed to be included within the term "Tax" for the purposes of this Lease, to the extent that such Tax would be payable if the Premises were the only property of Landlord subject to such Tax, and Tenant shall pay and discharge the same as provided in respect to the payment of Taxes.

7.2 **Payment of Taxes.** Throughout the Term, Tenant will pay all Taxes as they become due. If by law any Tax is payable, or may at the option of the taxpayer be paid, in installments, Tenant may pay the same in installments as each installment becomes due and payable, but in any event must do so before any fine, penalty, interest, or cost may be added for nonpayment of any installment or interest.

7.3 **Contesting Taxes.** If Tenant in good faith desires to contest the validity or the amount of any Tax, Tenant will be permitted to do so by giving to Landlord written notice thereof before commencement of such contest. Landlord will, at Tenant's expense (including reimbursement of attorney fees reasonably incurred by Landlord), cooperate with Tenant in any such contest to the extent that Tenant may reasonably request, but Landlord will not be subject to any liability for the payment of any costs or expenses in connection with any proceeding brought by Tenant, and Tenant will indemnify and save Landlord harmless from any such costs or expenses. Any rebates on account of the Taxes required to be paid and paid by Tenant under the provisions of this Lease will belong to Tenant, except that to the extent any rebates or refunds are related to a period of time in which this Lease is not in effect (either before commencement or after expiration or termination), the portion of the rebate attributable to such time will be returned to Landlord to the extent previously paid by Landlord. Any contest as to the validity or amount of any Tax, or assessed valuation on which the Tax was computed or based, whether before or after payment, may be made by Tenant in the name of Landlord or of Tenant, or both, as Tenant will determine.

7.4 **Evidence of Payment.** Promptly after payment, Tenant will provide Landlord with evidence reasonably satisfactory to Landlord that all Taxes required to be paid by Tenant have been paid.

7.5 **Personal-Property Taxes.** Tenant must pay before delinquency all taxes assessed against and levied on improvements, fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Premises or the Project, and when possible Tenant must cause said improvements, fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real property of Landlord.

7.6 **Utilities and Services.** Tenant will pay, directly to the appropriate supplier, for all water, sanitary sewer, storm sewer, gas, electric, telephone, cable, garbage pickup, and all other utilities and services used by Tenant on the Premises or at the Project as they become due, together with any taxes thereon, from and after the Commencement Date. Landlord will not be in default hereunder nor be liable in damages or otherwise for any failure or interruption of any utility or other service being furnished to the Premises or the Project, and no such failure or interruption will entitle Tenant to terminate this Lease or to abate payment of any portion of Rent due hereunder.

Article 8
INSURANCE

8.1 **Property Insurance.** Tenant, at its cost and expense, will keep all Improvements insured against loss or damage by property insurance written on the standard Insurance Services Office (ISO) "special-form" policy, or its nearest equivalent in use at the time. Tenant will obtain endorsements to its special-form policy to maintain the following types of coverage to the extent required by Landlord and available at commercially reasonable rates: (a) flood, (b) earthquake, (c) business interruption, (d) indirect loss, (e) boiler and machinery perils, and (f) ordinance and law. The property insurance must cover the full replacement value of the Project and Improvements (excluding foundation and excavation cost), less a deductible not to exceed $25,000. The property insurance shall provide that all losses are payable to Landlord and Tenant as their interests may appear; provided, however, if the Innovation Center or any portion thereof is destroyed and if either Tenant or Landlord does not provide written notice to DAS that the insurance proceeds payable to Tenant of Landlord, as the case may be, will be used to rebuild the Innovation Center, then, if required under the Lottery Agreement, such party's insurance proceeds shall be paid to the State to the extent necessary to call or defease the portion of the then outstanding Bonds relating to the Project described in the Lottery Agreement (including all undefeased allocable costs of issuance). Any loss adjustment must require written consent of both parties, which will not be unreasonably withheld, conditioned, or delayed. The amount of the insurance policy will be increased from time to time as the full replacement value of the Improvements increases.

8.2 **Liability Insurance.** Tenant, at its cost and expense, will maintain commercial general liability insurance covering the Premises, the Improvements, and the conduct or operation of its business with limits of loss of at least $2 million combined single-limit coverage for personal injury and property damage. The insurance policy must be primary to any insurance available to Landlord, contain a severability-of-interest or cross-liability clause, include contractual-liability coverage for Tenant's indemnification obligations contained in this Lease, and name Landlord as an additional insured. Landlord has the right from time to time to increase the amount of liability insurance required under this Lease based on then-current market conditions for properties comparable to the Premises.

8.3 **Additional Requirements.** Tenant's insurance carriers must be reputable insurance companies reasonably acceptable to Landlord, licensed to do business in the State of Oregon, and have a minimum A-VIII rating as determined by the then-current edition of *Best's Insurance Reports* published by AM. Best Co. Tenant will provide Landlord with certificates of insurance concurrently with the execution of this Lease and upon each renewal thereafter to establish that Tenant's insurance obligations have been met and that the policies are not subject to cancellation or material change without at least thirty (30) days advance written notice to Landlord; provided, however, that Landlord reserves the right to inspect and require full copies of all insurance policies to be provided to Landlord.

Article 9
RELEASE AND INDEMNIFICATION

9.1 **Release.** Tenant is and will be in exclusive control of the Premises, the Project and the Improvements, and Landlord will not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises, the Project or the Improvements, or any injury or damage to the Premises, the Project or the Improvements or to any property, whether belonging to Tenant or to any other person, caused by any fire, breakage, leakage, defect, or bad condition on any part of the Premises, the Project or the Improvements, or from steam, gas, electricity, water, rain, or snow that may leak into, issue, or flow from any part of the Premises, the Project or the Improvements from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or because of the use, misuse, or abuse of all or any of the Improvements, or from any kind of injury that may arise from any other cause whatsoever on the Premises, the Project or in or on the Improvements, including defects in construction of the Project or the Improvements, latent or otherwise; and Tenant hereby releases Landlord from and against any and all liabilities resulting from any such injuries and damages. Notwithstanding anything in this Section to the contrary, Landlord acknowledges that it remains responsible for liability to any third party to the extent that the liability arises from Landlord's negligence or willful misconduct.

9.2 **Indemnification.** Except to the extent caused by the gross negligence or willful misconduct of Landlord and except with respect to any obligations of Landlord under the LOA or breach by Landlord of its obligations under the **LOA,** Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all liabilities, obligations, damages, fines, penalties, claims, costs, charges, and expenses (including, without limitation, reasonable attorney fees, expert witness fees, and costs at trial and on appeal; environmental response and remedial costs; environmental consultant and laboratory fees; and natural resource damages) that may be imposed on or incurred by or asserted against Landlord by reason of any of the following occurrences during the Term.

(a) Any work or thing done in or on any part of the Premises, the Project or the Improvements by Tenant, its agents, contractors, servants, employees, subtenants, licensees or invitees;

(b) Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises, the Project or the Improvements by Tenant, its agents, contractors, servants, employees, subtenants, licensees or invitees;

(c) Any negligence in or on or with respect to the Premises, the Project or the Improvements on the part of Tenant or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees;

(d) Any accident, injury, or damage to any person or property occurring in or on the Premises, the Project or the Improvements, even if caused in part by the negligence of Landlord, but only up to the limits of Tenant's liability insurance coverage with respect to any such negligence of Landlord; and

(e) Any failure of Tenant to comply with or to perform any covenant, agreement, term, provision, condition, or limitation that this Lease requires Tenant to comply with or to perform, including without limitation Tenant's compliance with the Legal Requirements, Liens, and the release of Hazardous Substances in violation of Environmental Laws.

Article 10
LIENS

10.1 **No Liens.** Tenant will not suffer or permit any construction liens to attach to or be filed against any part the Premises, the Project or the Improvements by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Tenant or any person occupying or holding an interest in any part of the Premises, the Project or the Improvements. If any such lien is filed against any portion of the Premises, the Project or the Improvements, Tenant will cause the same to be discharged of record within fifteen (15) days after the date of its filing by payment, deposit, or bond.

10.2 **Landlord Right to Post Notices.** Landlord will have the right to post and keep posted at all reasonable times on the Premises, the Project and the Improvements notices of nonresponsibility and any other notices that Landlord desires or is required to post for the protection of Landlord's interest in the Premises, the Project and the Improvements from any such lien.

10.3 **No Right to Lien Landlord's Interest.** Nothing in this Lease may be deemed to be, or be construed in any way as constituting, the consent or request of Landlord, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises, the Project or to the Improvements, or as giving Tenant any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Landlord's interest in the Premises, the Project or against Landlord's interest, if any, in the Project or the Improvements. Tenant is not an agent for Landlord.

Article 11
REPAIRS AND MAINTENANCE

11.1 **Tenant Obligation.** Except as otherwise provided in this Lease, Tenant must maintain, repair and replace the Premises, the Project and the Improvements as and when needed so as to keep them in a clean and attractive condition, and in good condition and repair, throughout the entire Term. Tenant's obligations extend to both structural and nonstructural items and to all maintenance, repair, and replacement work.

11.2 **Landlord Obligation.** Landlord is not required to furnish to Tenant, the Premises, the Project or the Improvements any facilities, utilities, or services of any kind whatsoever during the Term, such as, but not limited to, water, sanitary sewer, storm sewer, gas, electric, telephone, cable, garbage pickup, or any other utilities or services used by Tenant, except to the extent, if at all, that Landlord would be required to provide such utilities or services to the Premises other than in its capacity as Landlord. Landlord is not required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs to any portion of the Premises, the Project or the Improvements during the Term.

11.3 **Limited Assignment of Rights.** Landlord assigns to Tenant, without recourse, any rights that Landlord may have against any parties causing damage to the Project or the

Improvements on the Premises to sue for and recover amounts expended by Tenant as a result of the damage.

Article 12
SIGNAGE

Tenant is permitted to install signage on the Premises, the Project and the Improvements as long as Tenant complies with all applicable Legal Requirements.

Article 13
INSPECTION AND ACCESS

Tenant will permit Landlord or its authorized representative to enter the Premises, the Project and the Improvements at all reasonable times during normal business hours, accompanied by a representative of Tenant and subject to any reasonable restrictions in applicable subleases, for purposes of inspecting them for compliance with the terms of this Lease and making any repairs or performing any work that Tenant has neglected or refused to make in accordance with the terms of this Lease. Nothing in this Lease implies any duty or obligation, however, on Landlord's part to make such inspections or perform such work (including, but not limited to, repairs and other restoration work made necessary because of any fire or other casualty or partial condemnation, irrespective of the sufficiency or availability of any property or other insurance proceeds, or any award in condemnation, that may be payable). Landlord's performance of any work will not constitute a waiver of Tenant's default in failing to perform the same. Except for emergency repairs, all entry into the Premises, the Project, or the Improvements shall require at least 24 hours' advance written notice to Tenant. In the event of any emergency repairs, Landlord shall use reasonable efforts to give Tenant the earliest possible notice of the same.

Article 14
DAMAGE AND DESTRUCTION

If any portion of the Project or Improvements on the Premises are damaged or destroyed by fire or other casualty, Rent will not abate, and Tenant must promptly restore the damaged portion of the Project or Improvements to substantially the same condition existing before the casualty. Except as otherwise required by any Permitted Leasehold Mortgagee, the proceeds available from Tenant's property insurance policy (the "Proceeds") must be used for such restoration. If the Proceeds are not sufficient for Tenant to restore the damaged portion of the Project or Improvements, Tenant must pay the difference.

Unless the Proceeds will be held by any Permitted Leasehold Mortgagee, should the Proceeds equal more than ten percent (10%) of the replacement cost of the damaged portion of the Project or Improvements or $250,000, whichever is greater, then all Proceeds will be paid to an escrow agent (the "Trustee") selected by Tenant (subject to the reasonable approval of Landlord) as trustee for the parties and disbursed as provided below. If the Proceeds are less than such amount, then the Proceeds will be delivered to Tenant. The Trustee will pay or reimburse Tenant from the Proceeds for the cost of restoring the damaged portion of the Project or Improvements on satisfactory proof of expenditure by Tenant, satisfactory evidence of sufficient progress on the work, and satisfactory evidence of sufficient funds available to complete restoration. The Trustee will not be liable to the parties except in the event of negligence or fraud. The Trustee will be entitled to deduct a customary and reasonable charge for its services.

If Tenant fails to file a claim or proof of loss with its property insurance carrier within fifteen (15) days after the casualty, Landlord may file such claim or proof of loss on behalf of Tenant after providing Tenant with written notice of its intention to do so. Any dispute regarding the distribution or use of the Proceeds will be resolved pursuant to Section 15.5.

Notwithstanding the foregoing to the contrary, if the casualty occurs during the last three years of the Term and the Project or the Improvements are damaged to the extent of thirty-five percent (35%) or more of the total replacement cost of the Project and all Improvements on the Premises (exclusive of foundations), then either Landlord or Tenant may terminate this Lease by providing written notice thereof to the other party within ninety (90) days after the date of the casualty; provided, however, that if Landlord elects to terminate the Lease under this Section but Tenant has the right to extend the Term of this Lease under Section 2.2, then Tenant may elect to exercise its extension right within thirty (30) days after receiving notice of Landlord's election to terminate the Lease, in which case Landlord's notice of termination is void, the Term is extended as provided in Section 2.2 and Tenant must perform its restoration obligation as provided above. Upon the exercise of the option to terminate this Lease by either party hereto (unless Tenant vitiates Landlord's termination of the Lease by extending the Term as provided above), this Lease will terminate upon Tenant (a) removing all damaged portion of the Premises or Improvements (including foundations) and leaving the Premises in a clean, attractive, and safe condition, and (b) delivering the balance of the Proceeds to Landlord.

Article 15
CONDEMNATION

15.1 **Total Taking.** If all the Premises and the Improvements are taken or condemned by right of eminent domain or by purchase in lieu of condemnation (a "Taking"), or if in Tenant's reasonable judgment the Taking of any portion of the Premises or the Improvements renders the portion remaining insufficient and unsuitable to permit the restoration of the Improvements following the Taking, then Tenant may terminate this Lease by providing written notice thereof to Landlord within ninety (90) days after Tenant is notified of the Taking, in which case the Lease will cease and terminate (except those provisions intended to survive the expiration or termination of the Lease) as of the date on which the condemning authority takes possession (any Taking in this Section being called a "Total Taking") and the Rent will be apportioned and paid to the date of the Total Taking.

15.2 **Award for Total Taking.** If this Lease terminates as a result of a Total Taking, the rights and interests of the parties will be determined as follows:

(a) The total award or awards for the Total Taking will be apportioned as follows:

(i) Landlord will have the right to receive directly from the condemning authority, in its entirety and not subject to any trust, a portion of the award that is defined and referred to as the Land Award (as defined below), and neither Tenant nor any Permitted Leasehold Mortgagee will be entitled to receive any part of the Land Award. The term "Land Award" means that portion of the award in the condemnation proceeding that represents the fair market value of the Premises, which should be considered as vacant, unimproved but encumbered by this Lease; the consequential damage to any part of the Premises that may not be taken; the diminution of the assemblage or plottage value of the Premises not so taken; and all other elements and factors of damage to the Premises; but in all events the damage or valuation will take into consideration that the Premises are encumbered by this Lease.

(ii) Tenant will have the right to receive directly from the condemning authority that portion of the award referred to as the Leasehold Award (as defined below), subject, however, to the rights of any Permitted Leasehold Mortgagee. The term "Leasehold Award" means that portion of the award in the condemnation proceeding that represents the fair market value of Tenant's interest in the Improvements and the fair market value of Tenant's leasehold estate as so taken and, if this Lease is not terminated as a result of the Taking, the consequential damages to any part of the Improvements.

(iii) It is the intent of the parties that the Land Award and the Leasehold Award will equal the total amount of the awards respecting the Total Taking.

(b) If a court or another lawful authority that is authorized to fix and determine the awards fails to fix and determine, separately and apart, the Land Award and the Leasehold Award, the awards will be determined and fixed by written agreement mutually entered into by and among Landlord, Tenant, and First Leasehold Mortgagee, if any, and if an agreement is not reached within thirty (30) days after the judgment is entered in the proceeding, the controversy will be resolved in the same court in which the condemnation action is brought, in any proceedings that are appropriate for adjudicating the controversy. If the total amount awarded is less than the combined amount of the Land Award and the Leasehold Award as determined in such proceedings, the Land Award and Leasehold Award shall each be reduced pro rata so that combined they equal the total award.

(c) Notwithstanding the foregoing, if the Innovation Center or any portion is condemned, then, if and to the extent required under the Lottery Agreement, the Landlord Award and the Tenant Award shall be paid in equal amounts to the State to the extent of the amount necessary to call or defease the portion of the then outstanding Bonds relating to the Project described in the Lottery Agreement (including all undefeased allocable costs of issuance.

15.3 **Partial Taking and Award for Partial Taking.** If, during the Term, there is a Taking of the Premises or the Improvements, but the Taking is not a Total Taking and not a temporary taking of the kind described in Section 15.4, or if a change occurs in the grade of the streets or avenues on which the Premises abuts, this Lease will not terminate but will remain in full force and effect with respect to the portion of the Premises and the Improvements not taken (any Taking or change of grade of the kind described in this Section being referred to as a "Partial Taking"), and in that event the total award or awards for the taking will be apportioned and paid in the same manner provided above for a Total Taking.

15.4 **Temporary Taking.** If there is a Taking of all or a part of the Premises or the Improvements for temporary use, this Lease will continue without change, as between Landlord and Tenant, and Tenant will be entitled to the entire award made for that use. Tenant will also have the right to file and prosecute any claim against the condemnor for damages, and to recover the same, for any negligent use, waste, or injury to the Premises or the Improvements throughout the balance of the then-current Term. The amount of damages so recovered will belong to Tenant.

15.5 **Dispute Resolution.** In the event of any dispute between Tenant and Landlord regarding any issue of fact arising out of a Taking mentioned in this Article, the dispute will be resolved by the same court in which the condemnation action is brought, in any proceedings that are appropriate for adjudicating the dispute.

Article 16
ASSIGNMENT AND SUBLETTING

16.1 **Restrictions on Transfer Generally.** Tenant's sale, assignment, or transfer of this Lease or any interest therein (voluntarily or by operation of law), Tenant's sublease of the Premises or any part thereof, or Tenant's grant of any right to use the Premises, the Improvements, or any respective part thereof are each referred to in this Lease as a "Transfer." To the extent Landlord's consent is required under this Lease, Landlord must not unreasonably withhold, condition or delay consent to any Transfer except as otherwise expressly provided in this Article. Any attempted Transfer requiring Landlord's prior written consent made without such prior written consent will be void. Upon any Transfer of all of Tenant's interest in the Lease and the Improvements (and provided Landlord's written consent has been obtained, if required under this Lease), Tenant and any guarantor shall be automatically released from their respective liabilities or obligations under this Lease or any guaranty of this Lease to the extent such obligations accrue on or after the effective date of the Transfer. No Transfer shall relieve Tenant from the requirement of obtaining Landlord's prior written consent to any further Transfers to the extent Landlord consent to the extent such further Transfers is required under this Lease. Landlord's acceptance of Rent from any other person will not be deemed to be a waiver by Landlord of any provision of this Lease or consent to any Transfer. If Tenant is a corporation, partnership, limited liability company, or other entity or unincorporated association, then any Transfer of this Lease by merger, consolidation, or liquidation will constitute a Transfer for the purposes of this Article.

16.2 **Restrictions on Transfer Prior to Issuance of Certificate of Completion.** Because Landlord is a municipal entity, Landlord is uniquely benefited by completion of the Project. Tenant as a developer is uniquely qualified to construct and manage the Project. The anti-assignment provisions of this Article 16 are reasonable and necessary to provide to each Party the benefit of the transaction implemented through this Lease.

(a) Except as provided in Section 16.3, prior to issuance of a Certificate of Completion under the LOA, Tenant shall not partially or wholly transfer or dispose of the Tenant's interest in the Lease, the Project, the Improvements or Tenant's interest in this Lease without the prior written approval of the Landlord, which may be withheld in Landlord's sole discretion. Without limiting Landlord's discretion to withhold its approval in any event, Landlord is unlikely to approve a transfer or disposition if (a) the transfer or disposition violates another provision of this Lease, (b) the proposed transferee does not possess qualifications and financial capacity equal to or superior to that of Tenant, or (c) the transfer or disposition will cause a material delay in completion of the Project or Improvements.

(b) Prior to issuance of a Certificate of Completion under the LDA, Roy Kim shall retain management control of the operations of the Tenant; provided, however, that if during such period Roy Kim dies or if incapacity renders him unable to manage the operations of Tenant, Tenant shall have the right to designate a successor manager, which successor shall be subject to Landlord's reasonable approval.

16.3 **Approved Transfers Prior to Issuance of Certificate of Completion.** Notwithstanding Section 16.2 above, the following transfers are allowed prior to issuance of Certificate of Completion pursuant to the LDA:

(a) An assignment or master sublease of Tenant's rights under this Lease and interest in the Project and the Improvements (which interest will remain subject to the terms and conditions of this Lease) to a partnership, limited liability company or limited partnership provided that (i) Roy Kim directly or indirectly holds a controlling management interest in the assignee or sublessee and (except in the event of death or incapacity that renders him unable to manage the operations of the assignee sublessee) retains control of the operations of the assignee or sublessee, and (ii) provided that Tenant furnishes Landlord with copies of the assignment or sublease instrument prior to the effective date of the proposed transfer, and any other information reasonably necessary for Landlord to determine whether such transfer complies with the requirements of this Lease. For avoidance of doubt, a permitted transfer of Tenant's rights shall include assignment or master sublease to a qualified active low-income community business ("QUALICB") as defined in Internal Revenue Code Section 45D in connection with any NMTC financing for the Project, or, subject to Landlord's reasonable consent, other transfer reasonably required in connection with Tenant's development financing. Notwithstanding an assignment or sublease under this Section 16.3(a), Tenant shall remain fully responsible to Landlord for performance of this Lease.

(b) Any Permitted Leasehold Mortgage, as defined in Section 18.2 or, subject to the provisions of any written agreement between Landlord and such Leasehold Mortgagee, any Transfer directly resulting from the foreclosure of a security interest by a Permitted Leasehold Mortgagee or the granting of a deed in lieu of foreclosure of such a security interest.

(c) Any subleases, provided such subleases comply with Section 16.11 below. With respect to any sublease for commercial space, Tenant shall request Landlord's approval of the subtenant and the permitted uses under the sublease, which approval shall not be unreasonably withheld, conditioned or delayed, but the ultimate decision on subleasing shall be Tenant's.

16.4 **Transfers after Issuance of Certificate of Completion.** After issuance of the Certificate of Completion pursuant to the LOA, the following provisions shall apply.

(a) **Subleases.** During the first twenty (20) years of the Term, Tenant shall not sublease any commercial space in the Project without requesting Landlord's approval of the subtenant and the permitted uses under the sublease, which approval shall not be unreasonably withheld, conditioned or delayed. Failure by Landlord to approve or disapprove within fifteen (15) days after delivery of such written request shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval. After the 20 year period, Tenant shall have the right to sublease portions of the Premises or the Improvements at any time and from time to time without requesting Landlord's approval of the subtenant and permitted uses under the sublease, provided the subleases comply with Sections 5.4 and 16.11.

(b) **Financing Related Transfers.** Landlord's consent shall not be required for any Permitted Leasehold Mortgagee, as defined in Section 18.2, or, subject to the provisions of any written agreement between Landlord and such Leasehold Mortgagee, any Transfer directly resulting from the foreclosure of a security interest by a Permitted Leasehold Mortgagee or the granting of a deed in lieu of foreclosure of such a security interest.

(c) **Transfer to Entity Under Kim Management.** Landlord's consent shall not be required for any Transfer to another limited liability company or other entity in which Roy Kim is the sole manager or has a controlling management interest.

(d) **Other Transfers.** Any Transfer not expressly permitted pursuant to Section 16.4(a), (b), or (c) shall be subject to Landlord's prior approval, which shall not be unreasonably withheld, conditioned, or delayed and shall be subject to this Section l6.4(d). For any transfer of the Landlord may withhold or condition its approval only if Landlord reasonably determines that the proposed assignee does not possesses the financial resources or successful operational experience necessary to operate the Project or portion of the Project to be transferred in accordance with this Lease. Prior to such a proposed Transfer, Tenant shall submit to Landlord information regarding such proposed Transfer, including the proposed documents to effectuate the Transfer, a description of the type of the Transfer, and such other information reasonably appropriate to assist Landlord in considering the proposed Transfer, including where applicable, the proposed transferee's financial strength and the prosed transferee's experience, capacity and expertise with re3pect to the operation of and management of mixed use projects generally similar to the Project. Landlord shall approve or disapprove the proposed Transfer within forty-five (45) days of Landlord's delivery of the information specified above. If Landlord has not delivered to Tenant written notice of Landlord's approval or disapproval within such 45-day period, Tenant shall give Landlord a second written request for approval of the Transfer. Failure by Landlord to approve or disapprove within fifteen (15) days after delivery of such second written request shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval. Upon any Transfer of all of Tenant's interest in the Lease and the Improvements (and provided Landlord's written consent has been obtained, or Landlord is deemed to have consented as provided above), Tenant and any guarantor shall be automatically, without need for execution of any instrument by Landlord, released from their respective liabilities or obligations under this Lease or any guaranty of this Lease to the extent such obligations accrue on or after the effective date of the Transfer. Notwithstanding the foregoing, upon written request by Tenant, Landlord shall promptly execute such documents as may be reasonably requested by Tenant or any guarantor confirming such release.

16.5 **Subleasing Procedural Requirements.** It is Landlord's intent that the commercial space on the Premises supply products and services to meet unmet demand in the Rockwood West Gresham community and serve as a catalyst to stimulate adjacent and nearby businesses. Additionally, it is Landlord's intent that the subtenant mix for such commercial space: (i) be compatible with adjacent residential uses, and (ii) create economic opportunities for people of all background in the community. With respect to the commercial space in the Project, Landlord and Tenant shall use commercially reasonable efforts to make subleasing opportunities in the Project known to members of disadvantaged groups in the community, but the ultimate decisions on subleasing shall be Tenant's. Landlord will provide technical assistance up to but not including the negotiation of such subleases. Landlord will keep Tenant apprised of any discussions it has with prospective subtenants of the Project. Promptly upon execution of a letter of intent for any commercial space in the Project, Tenant shall notify Landlord of the prospective subtenant's identity and proposed use. Landlord and Tenant recognize that subtenant negotiations can be sensitive, and each party agrees it will not make public the information it receives from the other pursuant to this paragraph until such time as the parties agree that it is appropriate to do so or as otherwise required by the Oregon Public Records Law. Landlord shall designate a representative who is authorized to respond to requests for Landlord's approval under Sections 16.3(c) and 16.4(a). Such representative shall use reasonable efforts to approve or disapprove such requests promptly, and, in any event, shall approve or disapprove such requests within fifteen (15) days. Failure by Landlord to approve or disapprove, through such representative or otherwise, within the 15-day period shall be deemed an approval. Landlord shall specify in writing the basis for any disapproval.

16.6 Tenant shall make a good faith attempt to attract locally owned commercial tenants to the Project following execution of the LDA and continuing after the execution of this Lease and until all initial spaces are leased. A "good faith attempt" means that Tenant will:

(a) Hold at least two (2) informational meetings to describe the leasing opportunities for interested persons before construction is completed;

(b) Advertise the leasing opportunities and the informational meetings in The Skanner, The Gresham Observer, El Hispanic News, the Asian Reporter, and other emerging community and immigrant media publications;

(c) Send written notice of the leasing opportunities and informational meetings to BESTHq, HispanicPros, El Programa Hispana; the Immigrant & Refugee Community Organization, the Rosewood Initiative, the Rockwood Community Development Corporation, Human Solutions, Slavic Family Radio, the Oregon Association of Minority Entrepreneurs, the Urban League, the Rockwood, Wilkes-East, and Centennial Neighborhood Associations, the Rockwood Business Association, the Gresham Area Chamber of Commerce; and the East Metro Economic Alliance.

(d) Provide documentation to Landlord to verify the above attempts and any additional attempts to meet the goals.

16.7 **Marketing and Leasing of Commercial Units.** Tenant shall use commercially reasonable efforts to market and lease commercial all units in the Project. Tenant shall create and implement a marketing and leasing plan that addresses the marketing and leasing of commercial units in the Project, which plan shall have been approved in writing by Landlord Executive Director (the "Marketing Plan") no later than three months after commencement of construction.

16.8 **Public Engagement Plan.** Both Tenant and Landlord acknowledge the diverse communities within the Rockwood Neighborhood and the City of Gresham and have participated in a public outreach process to solicit community feedback and engagement about the Project. Outreach began prior to submission of drawings and documents for City of Gresham Design Review and will continue as appropriate through construction and initial leasing. Consistent with the Development Budget and Development Timeline, Landlord and Tenant will identify and engage in public outreach opportunities to diverse community stakeholders and other interested parties, consistent with the public engagement approach identified by Landlord. The public engagement approach will serve to create a communication protocol, establish a list of interested parties within the neighborhood, and provide opportunities for neighborhood and citywide stakeholder groups to get periodic updates on the Project and provide input at key decision points.

16.9 **Required Sublease Terms.** Each sublease will contain the following terms and conditions:

(a) The sublease will be for a term that will expire before the expiration of the Term

(b) The sublease will incorporate the applicable terms, conditions, and covenants set forth in this Article 16, and will state that the sublease is subject and subordinate to, this Lease and to any extensions, modifications, or amendments of this Lease;

(c) The sublease will provide that rents due under the sublease (i) have been assigned to Landlord (and Tenant hereby assigns the rents to Landlord), subject to the rights of any leasehold mortgagees, to support performance of Tenant's covenants under this Lease, which assignment will be effective only on the occurrence of any event of default by Tenant under this Lease; (ii) will not be paid more than one month in advance; and (iii) will, subject to the rights of any leasehold mortgagees, on receipt of written notification from Landlord that an event of default has occurred under this Lease, be paid by the subtenant directly to Landlord until the subtenant receives written notice from Landlord that Tenant has cured the event of default or is in the process of curing the event of default in a manner reasonably satisfactory to Landlord;

(d) The sublease will provide that, if this Lease is canceled or terminated before the expiration of the Term, the subtenant will make full and complete attornment to Landlord for the balance of the term of the sublease with the same force and effect as though the sublease were originally made directly from Landlord, as long as Landlord performs the obligations of Tenant as sub-landlord under the sublease, subject to Section 16.12 below.

16.10 **Nondisturbance and Attornment.** If this Lease is terminated prior to its natural expiration date, Landlord shall recognize and not disturb the quiet enjoyment of any sublessee if the sublease (i) was approved by Landlord as provided in Section 16, (ii) is then free from default that has continued beyond any applicable cure period, and (iii) has rents that were commercially reasonable at the time the sublease was entered into, taking into account any discounts resulting from NMTC financing for the Project. In such event, the sublease shall continue in full force and effect as a direct lease between the sublessee and Landlord on all the terms, conditions, and covenants as are set forth in the sublease except that Landlord shall not be (a) liable for any previous act or omission of the sublessor, (b) subject to any offset, deficiency, or defense that shall have accrued to the sublessee against the sublessor, (c) bound by any previous modification or prepayment of more than one month's rent unless such modification or prepayment shall have been expressly approved in writing by Landlord, or (c) be liable for the return of any security deposit on the sublease that was not actually transferred to the Landlord. Upon request by Landlord, sublessee shall deliver to Landlord an attornment agreement confirming that the sublessee will attorn to Landlord and recognize it as the sublessee's landlord under the terms of the sublease. On request, Landlord shall confirm in a separate written agreement with any sublessee the nondisturbance obligation of Landlord as set forth in this Section.

16.11 **Sublease Copies.** Upon written request by Landlord, Tenant will promptly deliver to Landlord complete copies of any and all subleases.

Article 17
LANDLORD MORTGAGES

17.1 **Landlord Mortgages.** Landlord has the right at any time and from time to time to borrow against and encumber its interest in the (i) Premises, (ii) improvements, if any, that are paid for solely by Landlord and are constructed after Tenant completes construction of the initial Improvements pursuant to the LOA, and (iii) this Lease (including Landlord's reversionary interest in the Improvements) (collectively, "Landlord's Interest") without having to obtain the consent of Tenant, provided (a) such loan and encumbrance are subordinate and subject to this Lease, and (b) Landlord has provided Tenant with a commercially reasonable form of subordination, nondisturbance, and attornment agreement ("SNDA") executed by Landlord and the holder or beneficiary of the encumbrance and such agreement is recorded in the public records of Multnomah County, Oregon. Any such SNDA shall provide that this Lease will remain undisturbed unless Tenant is in default under this Lease and any Leasehold Mortgagee has failed to exercise its right to cure such default.

17.2 **Acts of Omission.** If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant will not exercise such right: (i) until it has given written notice of the act or omission to Landlord and each Encumbrance holder whose name and address have previously been furnished to Tenant, and (ii) until a reasonable period of time for the parties to cure the condition has passed.

Article 18
LEASEHOLD MORTGAGES

18.1 **Right to Mortgage Leasehold.** In addition to any other rights granted and without any requirement to obtain Landlord's consent, Tenant has the right to mortgage or grant a security interest in Tenant's interest in this Lease, the Premises, the Project, and the Improvements for a term not to exceed the remaining term of the lease under one or more leasehold mortgages to one or more Lending Institutions (as defined in Section 18.2 below), and to assign this Lease as collateral security for those leasehold mortgages, on the condition that all rights acquired under the leasehold mortgages are subordinate to this Lease subject to every covenant, condition, and restriction set forth in this Lease, and to all rights and interests of Landlord, none of which covenants, conditions, restrictions, rights, or interests is or will be deemed waived by Landlord by reason of the right given to mortgage or grant a security interest in Tenant's interest in this Lease, the Premises, the Project, and the Improvements, except as expressly provided otherwise or agreed in writing by Landlord. Landlord agrees to provide an estoppel, nondisturbance agreement, and such other accommodations as a Lending Institution may reasonably request to support the lender protections described in this Article.

18.2 **Defined Terms.** Any mortgage, deed of trust, financing statement, security agreement, or other financing instrument granted by Tenant in compliance with this Article 18 is referred to as a "Permitted Leasehold Mortgage," and the holder of or secured party under a Permitted Leasehold Mortgage is referred to as a "Permitted Leasehold Mortgagee." The Permitted Leasehold Mortgage that is prior in lien or interest among those in effect is referred to as the "First Leasehold Mortgage," and the holder of or secured party under the First Leasehold

Mortgage is referred to as the "First Leasehold Mortgagee." For the purposes of any rights created under this Article, any so-called wraparound lender will be considered a First Leasehold Mortgagee. If a First Leasehold Mortgage and a Permitted Leasehold Mortgage that is second in priority in lien or interest among those in effect are both held by the same Permitted Leasehold Mortgagee, the two Permitted Leasehold Mortgages are collectively referred to as the First Leasehold Mortgage. The term "Lending Institution" means any commercial, national, or savings bank, savings and loan association, trust company, pension trust, foundation, or insurance company, and any other entity, person, corporation, partnership, or otherwise making a loan on the security of Tenant's interest in this Lease, the Project, or any portion of the Premises or the Improvements.

18.3 **Lender Protections.** If a Permitted Leasehold Mortgagee sends to Landlord a true copy of its Permitted Leasehold Mortgage, together with written notice specifying the name and address of the Permitted Leasehold Mortgagee, then as long as the Permitted Leasehold Mortgage remains unsatisfied of record or until written notice of satisfaction is given by the holder to Landlord, the following provisions will apply (in respect of the Permitted Leasehold Mortgage and of any other Permitted Leasehold Mortgages):

(a) This Lease may not be (i) amended or modified, or (ii) terminated or canceled by reason of the exercise of any option or election by Tenant, or by the giving of any notice by Tenant, unless such amendment, modification, termination, or cancellation by Tenant is assented to in writing by the Permitted Leasehold Mortgagee. Any such attempted amendment or modification, termination, or cancellation by Tenant without the Permitted Leasehold Mortgagee's assent is void. Furthermore, no mergers will result from the acquisition by, or devolution upon, any one entity of the fee and the leasehold estates in the Premises, the Project, or the Improvements.

(b) Except as otherwise provided in Section 26.5, upon serving Tenant with any notice under this Lease, whether of default or any other matter, Landlord will simultaneously serve a copy of the notice on the Permitted Leasehold Mortgagee, and no notice to Tenant will be deemed given unless a copy is so served on the Permitted Leasehold Mortgagee in the manner provided in this Lease for giving notices.

(c) In the event of any default by Tenant under this Lease, each Permitted Leasehold Mortgagee has the same period as Tenant has, plus thirty (30) days, after service of notice on it of the default, to remedy or cause to be remedied or, if such default cannot be remedied within such period, to commence remedy of the default complained of, and Landlord must accept that performance by or at the instigation of the Permitted Leasehold Mortgagee as if the same had been done by Tenant. Each notice of default given by Landlord must state the amount of any Rent that is then claimed to be in default.

(d) If Landlord elects to terminate this Lease because of any default of Tenant, the Permitted Leasehold Mortgagee will have, in addition to the rights granted under the preceding Section, the right to postpone and extend the specified date for the termination of this Lease as fixed by Landlord in its notice of termination, for a period of twelve (12) months, as long as the Permitted Leasehold Mortgagee (i) cures or causes to be cured any then-existing defaults in payment of Rent and meanwhile pays the Rent, and (ii) forthwith takes steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgage or otherwise and prosecutes the same to completion with reasonable diligence and continuity. If, at the end of the 12-month period, the Permitted Leasehold Mortgagee is actively engaged in steps to acquire or sell Tenant's interest, the time of the Permitted Leasehold Mortgagee to comply with the provisions of this Section will be extended for a period of six (6) months or such longer period as may be required to complete those steps with reasonable diligence and continuity.

(e) Landlord agrees that if this Lease is terminated by reason of any default by Tenant, other than for nonpayment of the Rent and other payments herein provided for, Landlord will enter into a new lease for the Premises, the Project, and the Improvements with the holder of the then First Leasehold Mortgage on this Lease, or with its nominee or designee, for the remainder of the Term, effective as of the date of the termination, at the Rent and on the other terms and provisions as herein contained and subject only to the same conditions of title as this Lease was subject on the date of the execution hereof, and to the rights, if any, of any parties then in possession of the Premises or any portion thereof, provided as follows: (i) The holder will request the new lease within thirty (30) days after the date of termination of the Lease; (ii) the holder will pay to Landlord at the time of execution and delivery of the new lease all sums as to which the First Leasehold Mortgagee will have been provided with prior notice and which would at the time of execution and delivery thereof be due under this Lease had it not terminated, together with any expenses, including reasonable attorney fees, to which Landlord will have been subjected by reason of the default; (iii) Landlord will not warrant possession of the Premises to the tenant under the new lease; (iv) the new lease will be expressly made subject to the rights, if any, of Tenant under the terminated Lease; (v) tenant under the new lease will have the same right, title, and interest in and to the Premises as Tenant had under this Lease (except as otherwise expressly provided herein); and (vi) the holder will not be obligated to perform any obligations of Tenant hereunder until the holder actually acquires possession of the Premises.

(f) Nothing herein contained will require any holder of a Permitted Leasehold Mortgage or its nominee or designee to cure any default that occurs as a result of the status of Tenant such as Tenant's bankruptcy, insolvency, reorganization, or other proceeding under the bankruptcy or insolvency laws of the United States or the State of Oregon or otherwise, or to require the Permitted Leasehold Mortgagee or its nominee to discharge any lien, charge, or encumbrance against Tenant's interest in this Lease junior in priority to the lien of the Permitted Leasehold Mortgage.

(g) Landlord agrees to amend this Lease from time to time to the extent reasonably requested by a Lending Institution proposing to make Tenant a loan secured by a Permitted Leasehold Mortgage, as long as such proposed amendments do not subordinate or materially and adversely affect the rights, obligations, or liabilities of Landlord or Landlord's interest in the Premises, the Project or the Improvements. All reasonable expenses Landlord incurs in connection with any such amendment will be paid by Tenant.

(h) Landlord agrees that the name of any Permitted Leasehold Mortgagees may be added to the "loss payable endorsement" of any or all insurance policies required to be carried by Tenant.

(i) The First Leasehold Mortgagee and any subordinate leasehold mortgagee shall be given notice of any arbitration or other proceeding or dispute by or between the parties and shall have the right to intervene and be made a party to any such arbitration or other proceeding. In any event, each Permitted Leasehold Mortgagee shall receive notice of, and a copy of, any award or decision made in the arbitration or other proceeding.

(j) Any award or payment in condemnation or eminent domain in respect of the real property owned by Landlord shall be paid to Landlord. Any award or payment in condemnation or eminent domain in respect of the Improvements or Tenant's interest under this Lease shall be paid to the First Leasehold Mortgagee for the benefit of the parties and applied in the manner specified in this Lease.

(k) To the extent required by any Permitted Leasehold Mortgagee, no fire or casualty loss claims shall be settled and no agreement will be made in respect of any award or payment in condemnation or eminent domain without in each case the prior written consent of the First Leasehold Mortgagee.

(l) No liability for the payment of Rent or the performance of any of Tenant's covenants and agreements shall attach to or be imposed on the Permitted Leasehold Mortgagee (other than any obligations assumed by the Permitted Leasehold Mortgagee), all such liability (other than any obligations assumed by the Permitted Leasehold Mortgagee) being expressly waived by Landlord.

(m) No payment made to Landlord by any Permitted Leasehold Mortgagee shall constitute agreement that such payment was, in fact, due under the terms of this Lease; and the Permitted Leasehold Mortgagee having made any payment to Landlord pursuant to Landlord's wrongful, improper, or mistaken notice or demand shall be entitled to the return of any such payment or portion, provided it shall have made demand not later than one year after the date of its payment.

(n) Landlord, on request, shall execute, acknowledge, and deliver to each Permitted Leasehold Mortgagee an agreement prepared at the sole cost and expense of Tenant, in form satisfactory to the Permitted Leasehold Mortgagee and Landlord, among Landlord, Tenant, and the Permitted Leasehold Mortgagee, agreeing to all the provisions of this Section.

(o) Landlord shall at no time be required to subordinate its fee simple interest in the Premises or Landlord's interest in the lease to the lien of any leasehold mortgage, nor to mortgage its fee simple interest in the Premises or Landlord's interest in the lease as collateral or additional security for any leasehold mortgage. Landlord shall attorn to any Permitted Leasehold Mortgagee or any other person who becomes Landlord by, through, or under a Permitted Leasehold Mortgage.

(p) If Tenant is declared bankrupt or insolvent and this Lease is thereafter lawfully canceled or rejected, Landlord shall immediately execute a new lease under the same terms and conditions as this Lease to the Permitted Leasehold Mortgagee or its nominee, provided that all defaults under this Lease except the bankruptcy or insolvency of Tenant be cured by the Permitted Leasehold Mortgagee or its nominee.

(q) If Landlord declares bankruptcy and Landlord's bankruptcy trustee rejects this Lease when there is a Permitted Leasehold Mortgagee, Tenant's right to elect to terminate this Lease or to retain its rights pursuant to 11 USC §365(h)(l) shall be exercised by the Permitted Leasehold Mortgagee.

Article 19
ESTOPPEL CERTIFICATE

Within fifteen (15) days after a written request is made by a party, the other party will, without charge, give a certification in writing to any person, firm, or corporation reasonably specified by the requesting party stating (a) that this Lease is then in full force and effect and unmodified, or if modified, stating the modifications; (b) that Tenant is not in default in the payment of Rent to Landlord, or if in default, stating the default; (c) that as far as the maker of the certificate knows, neither party is in default in performing or observing any other covenant or condition to be performed or observed under this Lease, or if either party is in default, stating the default; (d) that as far as the maker of the certificate knows, no event has occurred that authorized, or with the lapse of time will authorize, Tenant to terminate this Lease, or if such an event has occurred, stating the event; (e) that as far as the maker of the certificate knows, neither party has any offsets, counterclaims, or defenses, or, if so, stating them; (t) the dates to which Rent has been paid; and (g) any other matters that may be reasonably requested by the requesting party.

Article 20
DEFAULT

The occurrence of any one or more of the following constitutes an event of default under this Lease:

20.1 Failure by Tenant to pay Rent or any other amount required to be paid by Tenant to Landlord under this Lease within ten (10) days after written notice of such nonpayment is given to Tenant; provided, however, that Landlord is not required to give Tenant more than one such notice in any consecutive 12-month period. After giving the first such notice to Tenant during a consecutive 12-month period, Tenant will be deemed in default under this Lease for failure to pay Rent or any other amount within ten (10) days after the same becomes due, without notice or opportunity to cure;

20.2 Failure by Tenant to obtain and maintain any insurance or provide evidence of insurance as required by the terms of this Lease and such failure continues and is not remedied within ten (10) days after written notice thereof is given to Tenant;

20.3 Failure by Tenant, whether by action or inaction, to comply with any term or condition or fulfill any obligation under this Lease (other than as set forth in Sections 20.1 and

20.2 above) and such failure continues and is not remedied within thirty (30) days after written notice thereof is given to Tenant; provided, however, that if the failure is of such a nature that it cannot be cured within said 30-day period, then this provision is satisfied if Tenant begins the cure within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the cure;

20.4 Tenant becomes insolvent; Tenant makes an assignment for the benefit of creditors; Tenant files a voluntary petition in bankruptcy; Tenant is adjudged bankrupt or a receiver is appointed for Tenant's properties; the filing of any involuntary petition of bankruptcy and Tenant's failure to secure a dismissal of the petition within seventy-five (75) days after filing; or the attachment of or the levying of execution on the leasehold interest and Tenant's failure to secure discharge of the attachment or release of the levy of execution within thirty (30) days.

20.5 Prior to issuance of a Notice of Completion under the LOA, Tenant is in default of the LOA beyond any applicable cure period.

20.6 Tenant is in default under any leasehold mortgage or instrument secured by Tenant's interest in the Property, the Premises or the Improvements and the mortgagee or lender commences foreclosure.

Upon written request by Landlord, Tenant will promptly supply Landlord with information about the efforts Tenant has made to cure any breach pursuant to Section 20.3.

Article 21
REMEDIES

21.1 **Remedies.** Upon the occurrence of an event of default, Landlord may exercise any one or more of the remedies set forth in this Section or any other remedy available under applicable law or contained in this Lease:

(a) Landlord may terminate this Lease by written notice to Tenant.

(b) Landlord or Landlord's agent or employee may immediately or at any time thereafter, without terminating the Lease, reenter the Premises and the Improvements either by summary eviction proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution, or damages, and may repossess the same, and may remove any person from the Premises and the Improvements, to the end that Landlord may have, hold, and enjoy the Premises and the Improvements. RE-ENTRY OR TAKING POSSESSION OF THE PREMISES OR THE IMPROVEMENTS BY LANDLORD WILL NOT BE CONSTRUED AS AN ELECTION ON ITS PART TO TERMINATE THIS LEASE UNLESS A WRITTEN NOTICE OF SUCH INTENTION IS GIVEN TO TENANT.

(c) Landlord may, without terminating the Lease, relet the whole or any part of the Premises, the Project, and the Improvements from time to time, either in the name of Landlord or otherwise, to any persons, for any terms ending before, on, or after the expiration date of the Term, at any rentals and on any other conditions (including concessions and free rent) that Landlord determines to be appropriate. To the extent allowed under Oregon law, Landlord will have no obligation to relet all or any part of the Premises, the Project, or the Improvements and will not be liable for refusing to relet the Premises, the Project, or the Improvements, or, in the event of reletting, for refusing or failing to collect any rent due on such reletting; and any action of Landlord will not operate to relieve Tenant of any liability under this Lease or otherwise affect such liability. Landlord at its option may make any physical change to the Premises, the Project, or the Improvements that Landlord, in its sole discretion, considers advisable and necessary in connection with any reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting Tenant's liability.

(d) Whether or not Landlord retakes possession of or relets the Premises, the Project, and the Improvements, Landlord has the right to recover its damages, including without limitation all lost rentals, all legal expenses, all costs incurred by Landlord in maintaining and restoring the Premises, the Project, or otherwise preparing the Premises, the Project, and the Improvements for reletting, and all costs incurred by Landlord in reletting the Premises, the Project, and the Improvements.

(e) To the extent permitted under Oregon law, Landlord may sue periodically for damages as they accrue without barring a later action for further damages. Landlord may in one action recover accrued damages plus damages attributable to the remaining Term equal to the difference between the Rent reserved in this Lease for the balance of the Term after the time of award and the fair rental value of the Premises, the Project, and the Improvements for the same period, discounted at the time of award at a reasonable rate not to exceed 10 percent per annum. If Landlord relets the Premises, the Project, and the Improvements for the period that otherwise would have constituted all or part of the unexpired portion of the Term, the amount of rent reserved on the reletting will be deemed to be the fair and reasonable rental value for the part or the whole of the Premises, the Project, and the Improvements so relet during the term of the reletting.

(f) Without terminating this Lease, Landlord may bring an action to enforce any term of this Lease.

21.2 **Landlord's Self-Help Right.** If Tenant at any time (a) fails to pay any Tax in accordance with the provisions of this Lease, (b) fails to make any other payment required under this Lease, or (c) fails to perform any other obligation on its part to be made or performed under this Lease, then after thirty (30) days' written notice to Tenant (or without notice in the event of an emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or from any default by Tenant and without waiving Landlord's right to take any action that is permissible under this Lease as a result of the default, Landlord may, but is under no obligation to, (i) pay any Tax or make any other payment required of Tenant under this Lease, and (ii) perform any other act on Tenant's part to be made or performed as provided in this Lease, and may enter the Premises, the Project, and the Improvements for any such purpose, and take any action that may be necessary. All payments so made by Landlord and all costs and expenses incurred by Landlord, including reasonable attorney fees, in connection with the performance of any such act will constitute additional rent payable by Tenant under this Lease and must be paid to Landlord on demand.

21.3 **No Waiver.** No failure by Landlord to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of full or partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Tenant, and no breach by Tenant, may be waived, altered, or modified except by a written instrument executed by Landlord. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

21.4 **Remedies Cumulative and Nonexclusive.** Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for now or hereafter existing at law or in equity or by statute or otherwise, and Landlord's or Tenant's exercise or beginning to exercise of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Article 22
SALE BY LANDLORD AND LIMITATION OF LANDLORD'S LIABILITY

22.1 **Sale by Landlord.** If the original Landlord under this Lease, or any successor owner of the Premises, sells or conveys the same, and the new owner assumes the obligations of Landlord under this Lease, all liabilities and obligations on the part of the original Landlord or the successor owner under this Lease accruing thereafter will terminate, and thereupon all such liabilities and obligations will be binding on the new owner. Tenant agrees to attorn to the new owner.

22.2 **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 Landlord's Interest, as defined above, and Landlord will have no other liability hereunder. Tenant will not enforce any judgment against Landlord except against Landlord's Interest. In no event will any officer, employee, or agent 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, the Project or the Improvements.

22.3 **Tenant's Right of First Offer.** Except as provided in Section 22.3(e), Landlord agrees not to sell, transfer, exchange, grant an option to purchase, or otherwise dispose of Landlord's Interest, as defined above, or any part thereof, without first offering Landlord's Interest to Tenant on the terms and conditions set forth in this paragraph 22.3.

(a) Landlord shall offer Landlord's Interest by written notice to Tenant ("Landlord's Offer"). Landlord's Offer shall state the terms upon which, in good faith, Landlord is willing to sell Landlord's Interest, including:

(i) The purchase price;

(ii) The required earnest money deposit ("Deposit");

(iii) The terms for payment of the purchase price;

(iv) The condition of title that Landlord will deliver at closing;

(v) The form of the conveyance instrument which Landlord will deliver at closing;

(vi) The type and dollar amount of title insurance for the benefit of the buyer, if any, that Landlord will procure and pay for;

(vii) The date of closing;

(viii) The allocation of closing costs and fees and the basis on which any income and expenses relating to Landlord's Interest will be prorated between Landlord and the buyer; and

(ix) Any other material terms.

Landlord further agrees to promptly provide Tenant with any information or documents pertaining to Landlord's Interest and the contemplated sale that Tenant may reasonably request so long as such information or documents are in Landlord's possession or control and can be provided at no substantial expense to Landlord. To the extent that Landlord's Offer fails to address any issue that needs to be resolved in order to close the sale, then the common practice in the county and state where the Property is located for similar transactions shall govern; provided, however, that unless specifically contained in Landlord's Offer, Landlord shall not be required to make any representations or warranties in connection with the sale other than standard title warranties, authority to complete the transaction, and that all information provided by Landlord to the Tenant in Landlord's Offer is true and correct.

The purchase price for Landlord's Interest shall be paid in cash.

(b) Acceptance or Rejection of Landlord's Offer.

(i) Tenant shall have forty-five (45) days after receipt of Landlord's Offer to deliver a written response to Landlord that Tenant agrees to either (i) accept Landlord's Offer and purchase Landlord's Interest on the terms set out therein; or (ii) negotiate the terms of Landlord's Offer as required herein.

(ii) If Tenant does not provide Landlord a written response to Landlord's Offer within such 45 day period, upon the expiration of said 45 day period, Tenant shall be deemed not to have accepted Landlord's Offer, Landlord may immediately offer to sell Landlord's Interest to any third party on not More Favorable Terms than those in Landlord's Offer, subject to subsection 22.3(d) herein.

(iii) If Tenant timely accepts Landlord's Offer, the sale of Landlord's Interest shall be closed in accordance with the terms of Landlord's Offer by a national title insurance company selected by Landlord, subject to the reasonable approval of Tenant, as escrow agent. Tenant shall also immediately place in escrow the required deposit set forth in Landlord's Offer. Notwithstanding the above or any other term or provision of this right of first offer, Tenant shall have a period of at least thirty (30) days (or more if so provided in Landlord's Offer) after receipt of all Landlord's documents to complete Tenant's due diligence investigation of Landlord's Interest and Landlord's documents. For the purpose of such review, Tenant shall be entitled to conduct such tests and investigation as Tenant deems appropriate in its sole discretion, Tenant shall first provide Landlord with written notice of such entry, and Tenant's entry shall not disturb the quiet enjoyment of any tenant, nor shall Tenant be entitled to undertake do any destructive or invasive testing or investigation. In connection with such entry, Tenant will indemnify, defend, and hold Landlord harmless from any and all claims, demands, losses, costs, and liabilities, including reasonable attorney fees and legal expenses arising from Tenant's or its consultants' or contractors' entry onto the Property pursuant to the terms of this provision. If Tenant is not satisfied with the results of its investigation within such thirty (30) day period, Tenant shall be entitled to provide notice to Landlord of Tenant's termination of Tenant's intent to purchase Landlord's Interest, and such notice shall have the same effect as if Tenant had rejected Landlord's Offer in the first instance.

(iv) If Tenant seeks to negotiate a Landlord's Offer made hereunder, Tenant shall give Landlord written notice of Tenant's request for negotiation, and the parties shall mutually execute a revised and final Landlord's Offer no later than thirty (30) days following Landlord's receipt of Tenant's written notice to negotiate Landlord's Offer (hereinafter the "Negotiation Period"). Landlord will act in good faith as to scheduling and attending meetings with Tenant during the Negotiation Period, provided that nothing herein shall be deemed in any manner to require that Landlord change any terms of Landlord's Offer, and any proposed changes to Landlord's Offer may be made or rejected by Landlord, in Landlord's sole and absolute discretion.

(v) If Tenant accepts Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, Landlord and Tenant shall cooperate with one another to facilitate the sale of Landlord's Interest in accordance with this right of first offer. Both parties agree that they will execute such additional instruments and take such actions as may be reasonably requested by the other in order to confirm, perfect, or otherwise carry out the intent and purposes of this right of first offer.

(vi) If Tenant accepts Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, and fails without legal excuse to close the purchase in accordance with the terms of Landlord's Offer, including any amendments that may be negotiated during the Negotiation Period, then this right of first offer shall immediately terminate, Tenant's earnest money shall be forfeited as Landlord's sole and exclusive remedy, and Landlord may sell Landlord's Interest free of any of the restrictions or obligations contained herein.

(c) If Tenant does not accept Landlord's Offer and the Negotiation Period, if any, expires for said offer, and (i) Landlord has not closed the transfer of Landlord's Interest to a third party within one (1) year after the date either Tenant has rejected Landlord's Offer or the time in which Tenant could accept Landlord's Offer has expired, and Landlord wishes to sell Landlord's Interest, or (ii) Landlord wishes to sell Landlord's Interest on More Favorable Terms (as defined in subsection 22.3(d) below) to a third party other than those permitted under subsection 22.3(e), then Landlord must first submit another Landlord's Offer to Tenant (on such More Favorable Terms, if applicable) before selling Landlord's Interest to said third party.

(d) An offer to sell Landlord's Interest to a third party shall be deemed to have "More Favorable Terms" than Landlords' Offer if either: (i) the economic terms of the transaction as a whole in Landlord's offer to a third party regarding Landlord's Interest are more than three percent (3%) more favorable than the economic terms of the transaction as a whole in Landlord's Offer to Tenant for the same property, or (ii) there is a material variation in the non-economic terms of the third party offer as compared to the non-economic terms of the Landlord's Offer.

Tenant and Landlord agree that the following terms in Landlord's offer to a third party or Tenant are not "economic terms" as defined in this right of first offer:

(i) dates and deadlines regarding closing, inspection contingencies, and due diligence regarding Landlord's Interest; and

(ii) the scope of any buyer's request for document review related to the Property during the inspection contingency and/or the due diligence period.

(e) This right of first offer shall not apply to any transaction permitted under Section 17.1; to any merger of Landlord with, or transfer of substantially all of Landlord's assets to, any other governmental, quasi-governmental or non-profit entity; or to the sale, transfer, exchange or other disposal of Landlord's Interest to the City of Gresham or other governmental entity related to the termination of the Rockwood-West Gresham Urban Renewal Area. However, this right of first offer shall survive any such transaction and shall apply to any sale, transfer, exchange, grant of purchase option or other disposition thereafter of Landlord's Interest or any part thereof.

(f) The right of first offer in favor of Tenant shall terminate upon the sale of Landlord's Interest in a manner consistent with this right of first offer after a Landlord's Offer has been made to Tenant. Upon the termination of the right of first offer in favor of Tenant for any reason, both parties shall cooperate in good faith to execute such documents as may be required to document the termination of the right of first offer of record in the County where the Property is located.

(g) This right of first offer may not be assigned by Tenant separately from its interest in the Lease, except that Tenant may take title to Landlord's Interest in the name of an affiliate. Except as otherwise expressly limited herein, this right of first offer shall be binding upon and shall inure to the benefit of the successors and permitted assigns of Landlord and Tenant. For purposes of this paragraph, "affiliate" shall mean any entity in which Tenant or any direct or indirect owner of Tenant has an ownership interest or a controlling management interest.

(h) To be effective, a notice or other communications required or permitted under this right of first offer must be given, and shall deemed delivered, in the manner set forth in the Lease for giving of notices. In the event a party breaches the provisions of this Section 22.3, the non-breaching party shall have the right to exercise all remedies available at law and in equity, including the right to seek specific performance and other injunctive relief.

(i) If Tenant does not accept Landlord's offer, Tenant shall permit Landlord reasonable access to the Property for purposes of non-invasive inspections, marketing (including signage), and showing to prospective purchasers. Tenant shall reasonably cooperate with Landlord's efforts to sell the Landlord's Interest by providing information or similar assistance. Nothing in this provision shall require Tenant to incur any costs or prohibit Tenant from imposing reasonable terms and conditions to ensure that the operations of Tenant and its subtenants are not unreasonably interfered with or disturbed.

Article 23
SURRENDER AND HOLDOVER

23.1 **Condition of Premises and Improvements.** Upon expiration of the Term or earlier termination of this Lease, Tenant will deliver all keys to Landlord and surrender the Premises and the Improvements in good condition and repair and broom clean (reasonable wear and tear excepted), free and clear of all occupancies other than subleases to which Landlord has specifically consented (when such consent is required) and free and clear of all liens and encumbrances other than those, if any, existing on the date of this Lease or created or suffered by Landlord. Tenant's obligations under this Article will be subject to the provisions of Article 14 relating to damage or destruction and Article 15 relating to condemnation.

23.2 **Tenant's Property.** Before the expiration or earlier termination of this Lease, Tenant will remove all furnishings, furniture, and trade fixtures that remain Tenant's property (the "Tenant's Property"). If Tenant fails to do so, at Landlord's option, (a) the failure to remove Tenant's Property will be deemed an abandonment of Tenant's Property, and Landlord may retain Tenant's Property and all rights of Tenant with respect to it will cease; or (b) by written notice given to Tenant, Landlord may elect to hold Tenant to Tenant's obligation of removal, in which case Landlord may affect the removal, transportation, and storage of Tenant's Property and Tenant will reimburse Landlord for the costs incurred in connection therewith on demand.

23.3 **Holding Over.** Any holding over after the expiration of the Term with the written consent of Landlord will be construed to be a tenancy from month-to-month, at one hundred three percent (103%) of the Rent payable for the period immediately before the expiration of the Term and will otherwise be on the terms and conditions of this Lease. If Landlord consents to Tenant holding over, either party may thereafter terminate the tenancy at any time on thirty (30) days' advance written notice to the other party. Any holding over after the expiration of the Term without the written consent of Landlord will be construed as a tenancy at sufferance (which Landlord may terminate at any time without notice) and Tenant will be liable for any and all damages resulting from such unauthorized holdover (including, but not limited to, any and all damages that Landlord is required to pay a new tenant for failing to timely deliver any portion of the Premises or the Improvements).

Article 24
CONDITION OF PREMISES

Tenant acknowledges that it has examined the physical condition of the Premises (including whether the Premises contains any Hazardous Substances or fails to comply with any Environmental Laws) and as a result agrees to accept the Premises in "as-is" condition, with all faults. Tenant further acknowledges that no representations or warranties regarding the condition of the Premises have been made by Landlord or any agent or person acting for Landlord, except those expressly set forth in the LOA.

Article 25
QUIET ENJOYMENT

Provided Tenant is not in default under this Lease, Tenant will have quiet enjoyment of the Premises during the Term without hindrance or disturbance by any person claiming by, through, or under Landlord, subject, however, to the encumbrances set forth in Exhibit E (the "Permitted Exceptions").

Article 26
NOTICES

26.1 **Notice Parties and Means of Delivery.** Except as otherwise provided in Section 26.5, any notice required or permitted by the terms of this Lease will be deemed given if delivered personally, sent by United States registered or certified mail, postage prepaid, return receipt requested, or sent by electronic mail transmission (provided a written notice is sent on the next business day by one of the other approved methods of giving notice), and addressed as follows:

If to Landlord:	Gresham Redevelopment Commission
Attn:	Justin Douglas, Executive Director
Address:	1333 NW Eastman Parkway Gresham, OR 97030
Email:	justin.douglas@greshamoregon.gov
: With a copy to:	Ellen Van Riper, City Attorney 1333 NW Eastman Parkway Gresham, OR 97030 Ellen.VanRiper@greshamoregon.gov
If to Tenant:	Rockwood Rising, LLC
Attn:	Roy Kim
Address:	15160 NW Laidlaw Road, Suite 108 Portland, OR 97229
Email:	roy@bethanyvillage.com
With a copy to:	Andy Hahs Bittner_Hahs 4949 Meadows Road, Suite 260 Lake Oswego, OR 97035 AHahs@bittner-hahs.com

Notwithstanding the foregoing, written notice given in any manner other than the manner set forth above shall be effective when received by the individual for whom it is intended. Either party may change its notice address by giving notice of such change to the other party in the manner set forth in this Section 21.1.

26.2 **Duplicate Notice to Permitted Leasehold Mortgagees.** A copy of each notice from Landlord to Tenant must be contemporaneously delivered to each Permitted Leasehold Mortgagee who previously delivered to Landlord its name and address and the other items required by Section 18.3 above. Notice to Tenant shall not be effective as to any Permitted Leasehold Mortgagee that is entitled to notice until a duplicate notice is actually delivered or deemed delivered pursuant to 26.1 to such Permitted Leasehold Mortgagee.

26.3 **Copies of Certain Notices to Tenant.** Tenant will immediately send to Landlord, in the manner prescribed in this Article, copies of all notices of default that Tenant gives to or receives from any Permitted Leasehold Mortgagee as well as copies of all notices of violation that it receives with respect to the Premises, the Project or the Improvements from any government authority, fire regulatory agency, or similarly constituted body, and copies of its responses to those notices.

26.4 **Failure to Notify of Change of Address or Refusal to Accept a Notice.** Notwithstanding anything in this Article to the contrary, any notice mailed to the last-designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this Article will not be deemed ineffective if actual delivery cannot be made because of a change of address of the person or party to which the notice is directed or the failure or refusal of such a person or party to accept delivery of the notice.

26.5 **Electronic Mail Notice Sufficient for Certain Purposes.** Notices by either party under Article 6, Section 16.3(c), Section 16.4(a), Section 16.5, and Section 28.31(b) shall be deemed given when sent by electronic mail transmission (with confirmation of delivery) to the electronic email address for such party set forth above, or to such other electronic mail address the addressee may have designated by notice to the other party in the manner set forth in Section 26.1. The parties will cooperate in facilitating such communications by confirming their receipt of such electronic notices upon request by the sending party. Notwithstanding Sections 26.1 , 26.2 or Article 18, copies of notices by either party to the other under Sections Article 6, Section 16.3(c), Section 16.4(a), Section 16.5 and Section 28.31(b) need not be given to the receiving party's attorneys or mortgagees to be effective notice.

Article 27
TENANT'S OPTION TO PURCHASE

27.1 **Grant of Purchase Option.** At any time after the twentieth (20^{th}) anniversary of the Commencement Date, and if Tenant is not then in default under this Lease, Tenant will have the option, but not the obligation, to acquire Landlord's Interest, including Landlord's right to own the improvements upon Lease termination, from Landlord for the amount described in Exhibit C attached hereto (the "Purchase Option").

27.2 **Exercise of Purchase Option.** Tenant may exercise the Purchase Option by giving Landlord written notice of Tenant's election to exercise the Purchase Option at any time during the Term. Acquisition pursuant to this Article 27, must be closed on or before the expiration of the Term. Notwithstanding the foregoing, if Landlord has provided Tenant written notice of a Landlord's Offer pursuant to Section 22.3 (Tenant's Right of First Offer), and Tenant has not either accepted such offer or exercised this Purchase Option within 45 days thereafter, then Tenant may not exercise the Purchase Option until the earlier of (i) one year after Landlord's delivery of Landlord's Offer or (ii) the closing of the sale or other disposition of Landlord's Interest by Landlord to a third party.

27.3 **Closing on Purchase.** If Tenant exercises the Purchase Option in accordance with the terms of this Lease, Landlord will, by means of a bargain and sale deed, and an assignment of this Lease in a form reasonably acceptable to Landlord and Tenant, convey title to Landlord's Interest, free and clear of all liens and encumbrances except for the Permitted Exceptions (excluding any mortgages or deeds of trust granted by Landlord or any predecessor in title) and any liens or encumbrances Tenant caused or permitted to attach to Landlord's Interest, or to Tenant's interest in the Premises, the Project, or the Improvements, since the Commencement Date. Landlord will furnish Tenant with a standard owner's title insurance policy issued by a reputable title insurance company, selected by Landlord and approved by Tenant, which approval may not be unreasonably withheld. The title insurance policy will contain only the standard printed exceptions and the Permitted Exceptions. Landlord will pay the premium for the title insurance policy and the title insurance policy must be delivered to Tenant within a reasonable period of time after the closing. Proration of taxes and other customary adjustments must be made as of the closing date of the conveyance, if necessary given Tenant's obligations under the Lease. Tenant must execute a release, covenant not to sue, hold harmless and indemnification and defense agreement for any and all claims relating to or arising from the condition of the Premises (except Landlord's title and authority to sell) reasonably satisfactory to Landlord, which agreement shall survive the deed indefinitely. The closing must be in escrow at a reputable escrow company selected by Tenant and approved by Landlord, which approval will not be unreasonably withheld. The escrow fee and closing costs will be shared equally by the parties. Before closing on the exercised option, Tenant will cooperate with Landlord in Landlord's efforts, if any, to achieve a tax-free exchange of the subject property.

27.4 RESERVED

27.5 **Statutory Disclosure.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Article 28
MISCELLANEOUS

28.1 **Survival.** All agreements (including, but not limited to, indemnification agreements) set forth in this Lease, the full performance of which are not required before the expiration or earlier termination of this Lease, will survive the expiration or earlier termination of this Lease and be fully enforceable thereafter.

28.2 **Invalidity.** If any term or provision of this Lease or the application of the Lease to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected, and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

28.3 **Force Majeure.** If either party's performance of an obligation under this Lease (excluding a monetary obligation) is delayed or prevented in whole or in part by (a) any Legal Requirement (and not attributable to an act or omission of the party); (b) any act of God, fire, or other casualty, flood, storm, explosion, accident, epidemic, war, civil disorder, strike, or other labor difficulty; (c) shortage or failure of supply of materials, labor, fuel, power, equipment, supplies, or transportation; or (d) any other cause not reasonably within the party's control, whether or not the cause is specifically mentioned in this Lease, the party will be excused, discharged, and released of performance to the extent that such performance or obligation (excluding any monetary obligation) is so limited or prevented by the occurrence without liability of any kind.

28.4 **Nonmerger.** There may be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the Premises by reason of the fact that this Lease, the leasehold estate created by this Lease, or any interest in this Lease, may be held, directly or indirectly, by or for the account of any person who owns the fee estate in the Premises or any interest in such fee estate. No merger will occur unless and until all persons having an interest in the fee estate in the Premises and all persons (including all Permitted Leasehold Mortgagees) having an interest in this Lease, or in the leasehold estate created by this Lease, join in a written instrument effecting the merger and duly record the same.

28.5 **Costs and Attorney Fees.** If any suit, action, arbitration, or other proceeding of any nature whatsoever, including (without limitation) any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Lease or any provision of this Lease, the prevailing party will be entitled to recover from the losing party its reasonable attorney fees as well as reasonable fees for paralegals, accountants, and other experts and professionals and all other fees, costs, and expenses actually incurred and reasonably necessary in connection with the proceeding, including (without limitation) deposition and expert fees and costs incurred in creating exhibits and reports, as determined by the judge or arbitrator at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

28.6 **Entire Agreement; Counterparts.** This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. Tenant and Landlord mutually acknowledge and agree that there are no verbal agreements or other representations, warranties, or understandings affecting this Lease. This Lease may be executed in any number of counterparts, including by fax signatures, each of which will constitute an original, but all of which will constitute one Lease.

28.7 **Applicable Law.** This Lease will be governed by, and construed in accordance with, the laws of the State of Oregon.

28.8 **Brokerage.** Landlord and Tenant represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other, and that no brokerage fees are due to any third parties as a result of this Lease.

28.9 **Broker Disclosure.** Josh Fuhrer, Executive Director of Landlord, holds a Real Estate Broker License in the State of Oregon. Mr. Fuhrer is not functioning as a real estate broker in this transaction and is not receiving any fee for acting as a broker.

28.10 **Binding Effect.** The covenants and agreements contained in this Lease are binding on and inure to the benefit of Landlord, Tenant, and their respective successors and assigns.

28.11 **Recordation of Lease.** Tenant may elect that a memorandum of this Lease, executed and acknowledged by both parties, be recorded in the public records of Multnomah County, Oregon in substantially the same form as Exhibit D. Tenant will pay the recording costs.

28.12 **Time** Is **of the Essence.** Time is of the essence as to the performance of all the covenants, conditions, and agreements of this Lease.

28.13 **Interpretation.** In interpreting this Lease in its entirety, the printed provisions of this Lease and any additions written or typed thereon must be given equal weight, and there must be no inference, by operation of law or otherwise, that any provision of this Lease may be construed against either party hereto. Landlord and Tenant acknowledge that they and their counsel have reviewed and revised this Lease and that any otherwise applicable rule of construction or any other presumption to the effect that any ambiguities are to be resolved against the drafting party will not be used in the interpretation of this Lease or any exhibit or amendment hereto.

28.14 **Headings, Captions, and References.** The headings and captions contained in this Lease are for convenience only and do not in any way define, describe, limit, or amplify the scope or intent of this lease or any term or provision in it. The use of the term "Herein" refers to this Lease as a whole, inclusive of the Exhibits, except when noted otherwise. The use of a . masculine or neuter gender in this Lease includes the masculine, feminine, and neuter genders and the singular form includes the plural when the context so requires.

28.15 **Relationship of Parties.** Nothing contained in this Lease is to be deemed or construed, either by the parties to this Lease or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture, or other association between Landlord and Tenant.

28.16 **USA PATRIOT Act Compliance.** Tenant represents to Landlord that Tenant is not (and is not engaged in this transaction on behalf of) a person or entity with which Landlord is prohibited from doing business pursuant to Antiterrorism Laws. "Antiterrorism Laws" means any law, regulation, or executive order pertaining to national security and specifically includes, but is not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of2001 (the PATRIOT Act) (Pub L 107-56, 115 Stat 272); the Bank Secrecy Act (31 USC§ 5311 *et seq.);* the Trading with the Enemy Act (50 USC App§ 1 *et seq.);* the International Emergency Economic Powers Act (50 USC §§ 1701-1706); sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control, as well as laws related to the prevention and detection of money laundering in **18** USC Sections 1956 to 1957. Tenant hereby agrees to indemnify, defend, and hold Landlord harmless from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney fees and costs at trial and on appeal) arising from or related to any breach of the foregoing warranty, representation, and certification. Following a Transfer, Tenant will cause the transferee (including, but not limited to, an assignee, subtenant, and licensee), for the benefit of Landlord, to reaffirm, on behalf of such transferee, the representations of, and to otherwise comply with the obligations set forth in this Section 28.16, and it is reasonable for Landlord to refuse to consent to a Transfer in the absence of such reaffirmation and compliance.

28.17 **Discrimination.** Tenant, for itself and its successor and assigns, agrees that, during the construction of the Project, Tenant will not discriminate against any contractor, employee or applicant for employment because of race, color, ethnicity, religion, marital status, disability, political affiliation, age, gender, sexual orientation or national origin.

28.18 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

28.19 **Waivers.** No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Lease shall be considered a waiver of any other rights of the Party making the waiver. No waiver by Landlord or Tenant of any provision of this Lease or any breach thereof, shall be of any force or effect unless in writing and no such waiver shall be construed to be a continuing waiver.

28.20 **Venue, Consent to Jurisdiction.** Any action or suit to enforce or construe any provision of this Lease by any Party must be brought in the Circuit Court of the State of Oregon for Multnomah County or, if the action or suit must be brought in a federal forum, the United States District Court for the District of Oregon in Portland, Oregon. Each Party, by execution of this Lease, consents to the in personam jurisdiction of said courts.

28.21 **Calculation of Time.** All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the state of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.

28.22 **Construction.** In construing this Lease, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

28.23 **Legal Purpose.** Tenant agrees to use the Project solely for lawful purposes.

28.24 **Amendments and Modifications.** Any modifications to this Lease must be made in writing and executed by all Parties, with the approval of the governing body of the Landlord, if required.

28.25 **Successors and Assigns.** Subject to the provisions of Article 7, the benefits conferred by this Lease, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and permitted assigns of the Parties.

28.26 **Non-waiver of Government Rights.** Subject to the terms and conditions of this Lease, by making this Lease, Landlord is specifically not obligating itself, the City of Gresham, or any other agency with respect to any discretionary action relating to development or operation of the improvements to be constructed on the Property, including, but not limited to, rezoning, variances, environmental clearances or any other governmental approvals which are or may be required.

28.27 **Approvals.** Where this Lease requires the approval of Landlord, Landlord will approve or disapprove in writing within forty-five (45) days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary, and further excepting construction change orders, to the extent governed by applicable loan documents, which will be processed according to the applicable loan documents. Failure by Landlord to approve or disapprove within said period of time shall be deemed an approval. Any disapproval shall state the reasons for such disapproval. Approvals will not be unreasonably withheld, conditioned, or delayed, except where rights of approval are expressly reserved to Landlord's sole discretion in this Lease. Tenant, upon receipt of such disapproval, may revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to Landlord.

28.28 **Approval by Landlord's Director.** Except as provided for elsewhere in this Lease, whenever consent or approval by Landlord is required under the terms of this Lease, all such consents or approvals shall be given in writing from the Executive Director of Landlord or his or her designee.

28.29 **No Third-Party Beneficiary Rights.** Except for the rights of any Permitted Leasehold Mortgagees, no person not a party to this Lease is an intended beneficiary of this Lease, and no person not a party to this Lease shall have any right to enforce any term of this Lease.

28.30 **Confidentiality.**

(a) Except for published information or information ascertainable from public records, any confidential information furnished or disclosed by either party in connection with the Project, will be held in confidence and will not be divulged to any third party, except for a Party's advisors and consultants or as may be necessary to further the development of the Project.

(b) Tenant acknowledges that information provided to the Landlord is subject to the Oregon Public Records Law (ORS 192.410 to 192.505). If the Tenant submits information to the Landlord in confidence which should be reasonably considered to be confidential, such as Tenant's or Tenant's members' financial information, projected Project costs, Project proforma statements, lender correspondence or documentation, information, or Tenant's member's personal information, and the Landlord obliges itself in good faith not to disclose the information, the Landlord will consider whether the public interest will suffer from the disclosure of such information, and if so, to the extent allowed by state law, Landlord will hold in confidence such information, and will not divulge such information to any third party, except for Landlord's advisors and consultants. To be considered confidential information, any materials submitted must be marked as "Submitted in Confidence" or "Confidential" on the first page of any such materials. As between the Parties, the Landlord's decision to disclose or to hold information in confidence shall be final.

(c) In the case of Tenant default, then Tenant will return all confidential information to the Landlord.

28.31 **Publicity**

(a) **Cooperation Regarding Initial Announcements.** The parties shall cooperate to draft all appropriate press releases and other public announcements relating to the execution of this Lease and the relationship between the parties. This provision shall not require consent or Landlord involvement in general promotional information Tenant may provide on its website or through other means.

(b) **Disclosure of Tenant Identities.** Tenant shall not issue any public announcement or press release regarding the identity of prospective tenants of the Project without giving Landlord at least five (5) days' prior written notice. Landlord shall not issue any public announcement or press release regarding the identity of prospective tenants of the Project without Tenant's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. If, during the Lease Term, Landlord ceases efforts to help identify prospective tenants for the Project, Landlord will give Tenant written notice of the cessation, in which event Tenant shall no longer be obligated to provide prior notice of such announcements to Landlord unless and until Landlord resumes efforts to help identify prospective subtenants and gives Tenant written notice of such resumption and Landlord expressly requests that Tenant resume giving Landlord prior written notice of such public announcements.

28.32 **Incorporation.** The exhibits attached to this Lease are incorporated into and made a part of this Lease.

Article 29
LANDLORD'S RIGHT OF FIRST OFFER

29.1 **Right of First Offer.** Except as provided in Section 29.1(e), Tenant agrees not to sell, transfer, exchange, grant an option to purchase, or otherwise dispose of Tenant's interest in (i) the Premises, (ii) the Improvements, or (iii) this Lease (collectively, "Tenant's Interest"), or any part thereof, without first offering such property to Landlord on the terms and conditions set forth in this paragraph 29.1.

(a) Tenant shall offer the property to be sold (the "Offered Property") by written notice to Landlord ("Tenant's Offer") identifying the Offered Property. Tenant's Offer shall state the terms upon which, in good faith, Tenant is willing to sell the Offered Property, including:

(i) The purchase price;
(ii) The required earnest money deposit ("Deposit");
(iii) The terms for payment of the purchase price;
(iv) The condition of title that Tenant will deliver at closing;
(v) The form of the conveyance instrument which Tenant will deliver

at closing;

(vi) The type and dollar amount of title insurance for the benefit of the buyer, if any, that Tenant will procure and pay for;

(vii) The date of closing;

(viii) The allocation of closing costs and fees and the basis on which any income and expenses relating to the Offered Property will be prorated between Tenant and the buyer; and

(ix) Any other material terms.

Tenant further agrees to promptly provide Landlord with any information or documents pertaining to the Offered Property and the contemplated sale that Landlord may reasonably request so long as such information or documents are in Tenant's possession or control and can be provided at no substantial expense to Landlord. To the extent that Tenant's Offer fails to address any issue that needs to be resolved in order to close the sale, then the common practice in the county and state where the Offered Property is located for similar transactions shall govern; provided, however, that unless specifically contained in Tenant's Offer, Tenant shall not be required to make any representations or warranties in connection with the sale other than standard title warranties, authority to complete the transaction, and that all information provided by Tenant to Landlord in Tenant's Offer is true and correct.

The purchase price for the Offered Property shall be paid in cash.

(b) Acceptance or Rejection of Tenant's Offer.

(i) Landlord shall have forty-five (45) days after receipt of Tenant's Offer to deliver a written response to Tenant that Landlord agrees to either (i) accept Tenant's Offer and purchase the Offered Property on the terms set out therein; or (ii) negotiate the terms of Tenant's Offer as required herein.

(ii) If Landlord does not provide Tenant a written response to Tenant's Offer within such 15 day period, upon the expiration of said 15 day period, Landlord shall be deemed not to have accepted Tenant's Offer, and Tenant may immediately offer to sell the Offered Property to any third party on not More Favorable Terms than those in Tenant's Offer and subject to 29.l(d) herein.

(iii) If Landlord timely accepts Tenant's Offer, the sale of the Offered Property shall be closed in accordance with the terms of Tenant's Offer by a national title insurance company selected by Landlord, subject to the reasonable approval of Tenant, as escrow agent. Landlord shall also immediately place in escrow the required deposit set forth in Tenant's Offer. Notwithstanding the above or any other term or provision of this right of first offer, Landlord shall have a period of at least thirty (30) days (or more if so provided in Tenant's Offer) after receipt of all Tenant's documents to complete Landlord's due diligence investigation of the Offered Property and Tenant's documents. For the purpose of such review, Landlord shall be entitled to enter the Offered Property to conduct such tests and investigation as Landlord deems appropriate in its sole discretion, Landlord shall first provide Tenant with written notice of such entry, and Landlord's entry shall not disturb the quiet enjoyment of any tenant on the Offered Property, nor shall Landlord be entitled to undertake do any destructive or invasive testing or investigation. In connection with such entry, Tenant will indemnify, defend, and hold Landlord harmless from any and all claims, demands, losses, costs, and liabilities, including reasonable attorney fees and legal expenses arising from Landlord's or its consultants' or contractors' entry onto the

Offered Property pursuant to the terms of this provision. If Landlord is not satisfied with the results of its investigation within such thirty (30) day period, Landlord shall be entitled to provide notice to Tenant of Landlord's termination of Landlord's intent to purchase the Offered Property, and such notice shall have the same effect as if Landlord had rejected Tenant's Offer in the first instance.

(iv) If Landlord seeks to negotiate a Tenant's Offer made hereunder, Landlord shall give Tenant written notice of Tenant's request for negotiation, and the parties shall mutually execute a revised and final Tenant's Offer no later than thirty (30) days following Tenant's receipt of Landlord's written notice to negotiate Tenant's Offer (hereinafter the "Negotiation Period"). Tenant will act in good faith as to scheduling and attending meetings with Landlord during the Negotiation Period, provided that nothing herein shall be deemed in any manner to require that Tenant change any terms of Tenant's Offer and any proposed changes to Tenant's Offer may be made or rejected by Tenant, in Tenant's sole and absolute discretion.

(v) If Landlord accepts Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, Landlord and Tenant shall cooperate with one another to facilitate the sale of the Offered Property in accordance with this right of first offer. Both parties agree that they will execute such additional instruments and take such actions as may be reasonably requested by the other in order to confirm, perfect, or otherwise carry out the intent and purposes of this right of first offer.

(vi) If Landlord accepts Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, and fails without legal excuse to close the purchase in accordance with the terms of Tenant's Offer, including any amendments that may be negotiated during the Negotiation Period, then this right of first offer shall immediately terminate, Landlord's earnest money shall be forfeited as Tenant's sole and exclusive remedy, and Tenant may sell the Offered Property or any part thereof free of any of the restrictions or obligations contained herein.

(c) If Landlord does not accept Tenant's Offer and the Negotiation Period, if any, expires for said offer, and (i) Tenant has not closed the transfer of the Offered Property to a third party within one (1) year after the date either Landlord has rejected Tenant's Offer or the time in which Landlord could accept Tenant's Offer has expired, and Tenant wishes to sell the Offered Property, or (ii) Tenant wishes to sell the Offered Property on More Favorable Terms (as defined in subsection 29.l(d) below) to a third party other than those permitted under subsection 29.l(e), then Tenant must first submit another Tenant's Offer to Landlord for the Offered Property (on such More Favorable Terms, if applicable) before selling the Offered Property to said third party.

(d) An offer to sell the Offered Property to a third party shall be deemed to have "More Favorable Terms" than the Tenant's Offer if either: (i) the economic terms of the transaction as a whole in Tenant's offer to a third party regarding the Offered Property are more than three percent (3%) more favorable than the economic terms of the transaction as a whole in Tenant's Offer for the same property, or (ii) there is a material variation in the non-economic terms of the third party offer as compared to the non-economic terms of the Tenant's Offer.

Tenant and Landlord agree that the following terms in Tenant's offer to a third party or Landlord are not "economic terms" as defined in this right of first offer:

(i) dates and deadlines regarding closing, inspection contingencies, and due diligence regarding the Offered Property; and

(ii) the scope of any buyer's request for document review related to the Property during the inspection contingency and/or the due diligence period.

(e) This right of first offer shall not apply to any subleasing; to any transfer permitted under Section 18.1; to any sale or other transfer of any direct or indirect ownership interests in Tenant; to any transfers between Tenant and one or more of its direct or indirect owners; or to any transfers between Tenant and any entity in which one or more of its direct or indirect owners has an ownership interest.

(f) The right of first offer in favor of Landlord shall terminate upon the sale of the Offered Property in a manner consistent with this right of first offer after a Tenant's Offer has been made to Landlord. Upon the termination of the right of first offer in favor of Landlord for any reason, both parties shall cooperate in good faith to execute such documents as may be required to document the termination of the right of first offer of record in the County where the Offered Property is located.

(g) This right of first offer may not be assigned by Landlord separately from its interest in the Lease, except that Landlord may take title to the Offered Property in the name of an affiliate. Except as otherwise expressly limited herein, this right of first offer shall be binding upon and shall inure to the benefit of the successors and permitted assigns of Landlord and Tenant. For purposes of this paragraph, "affiliate" shall mean any entity in which Landlord or any direct or indirect owner of Landlord has an ownership interest or a controlling management interest.

(h) To be effective, a notice or other communications required or permitted under this right of first offer must be given, and shall deemed delivered, in the manner set forth in the Lease for giving of notices. In the event a party breaches the provisions of this Section 29.1, the non-breaching party shall have the right to exercise all remedies available at law and in equity, including the right to seek specific performance and other injunctive relief.

29.2 **Statutory Disclosure.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 O�215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY TPIE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11,

CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, Tenant and Landlord have caused this Lease to be executed by their duly authorized representatives as of the day and year first written above.

LANDLORD:

GRESHAM REDEVELOPMENT COMMISSION, the duly designated Urban Renewal Agency of the City of Gresham.

By:____________________________
Justin Douglas, Executive Director

APPROVED AS TO FORM:

____

Ellen Van Riper , Attorney
Gresham Redevelopment Commission

TENANT:

ROCKWOOD RISING , LLC, an
Oregon limited liability company

By:______________________________

Roy Kim, Manager

EXHIBIT A

PROPERTY

Parcel 2, PARTITION PLAT NO.2019-53 , in the City of Gresham, County of Multnomah and State of Oregon.

EXHIBIT B

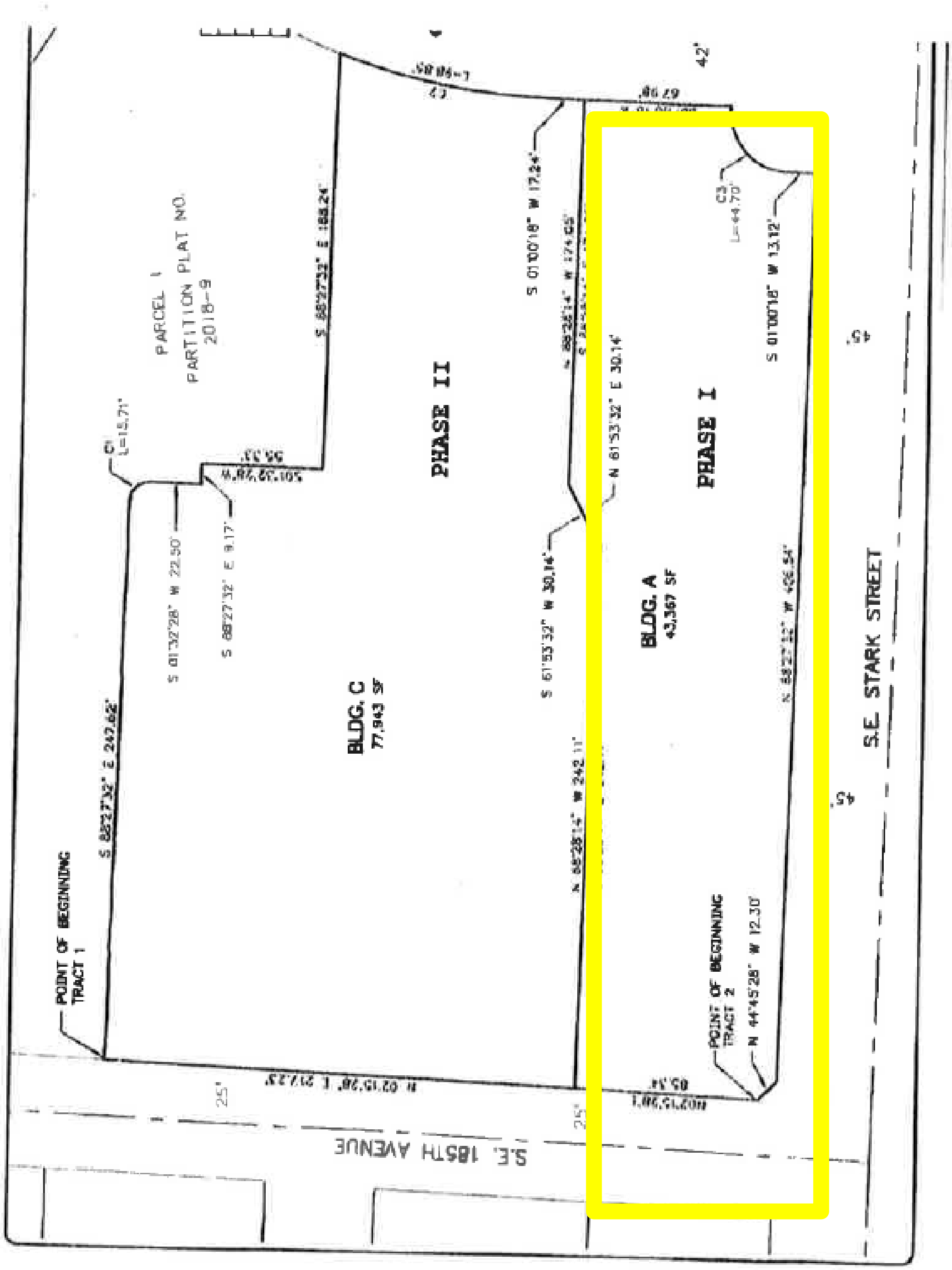

PARCEL 1
PARTITION PLAT NO.
2018-9
PHASE II
PHASE I
BLDG. C
77,943 SF
BLDG. A
43,367 SF
S.E. STARK STREET
S.E. 185TH AVENUE
POINT OF BEGINNING
TRACT 1
POINT OF BEGINNING
TRACT 2
S 88°27'32" E 247.62'
S 01°32'28" W 22.50'
S 88°27'32" E 9.17'
S 88°27'32" E 188.24'
S 01°00'18" W 17.24'
N 88°28'14" W 174.65'
N 61°53'32" E 30.14'
S 61°53'32" W 30.14'
N 88°28'14" W 242.11'
S 01°00'18" W 13.12'
N 88°27'32" W 406.54'
N 44°45'28" W 12.30'
N 02°15'28" E 217.23'
C1
L=15.71'
C3
L=44.70'
42'
45'
45'
25'
25'

EXHIBIT C
Method of Calculating Purchase Option Price

The purchase price for purposes of Tenant's Purchase Option described in Article 27 shall be equal to the present value of all future annual Rent payments that would become due during the unexpired portion of the Initial Term (or if Tenant's election to exercise the Purchase Option is delivered during the First Extension Tenn or the Second Extension Tenn, the present value of all future annual Rent payments that would become due during the unexpired portion of such Extension Tenn), calculated as set forth in this Exhibit C. For purposes of such calculation, the stream of future annual Rent payments for the remainder of the Initial Tenn or Extension Term, as applicable, shall be estimated based on the most recent annual Rent amount then in effect, with an estimated future CPI increase factored into each of the remaining years' Rent payments. Such estimated CPI increases shall be based on the average annual increase in the CPI over the twenty-five (25) year period prior to Tenant's exercise of the Purchase Option. The potential reduction of such future annual Rent payments based on the Debt Coverage Ratio cap described in Section 3.l(c) shall be disregarded. The present value shall be calculated by applying a discount rate of four and one-half percent (4.5%) per annum.

A sample calculation of the purchase price, based on hypothetical numbers, is shown in the attached spreadsheet. The sample calculation assumes the following:

Purchase Option exercised in Year 25 Lease years remaining in Initial
Term: 35
Annual Rent in effect when Purchase Option is exercised: $214,155
Average annual CPI increase over the 25 years before Purchase Option is exercised: 2.37%

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34
Annual Rent Payment	$214,155	$219,230	$224,426	$229,745	$235,190	$240,764	$246,470	$252,312	$258,291	$264,413
Discount Factor		0.957	0.916	0.876	0.839	0.802	0.768	0.735	0.703	0.673
Present Value for Each Year	$214,155	$209,790	$205,514	$201,325	$197,221	$193,201	$189,263	$185,406	$181,627	$177,925

Total Present Value / Purchase Price $\boxed{\$5,286,454}$

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SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43
Annual Rent Payment	**$214,155**	$270,679	$277,095	$283,662	$290,384	$297,267	$304,312	$311,524	$318,907	$326,465
Discount Factor		0.644	0.616	0.590	0.564	0.540	0.517	0.494	0.473	0.453
Present Value for Each Year	**$214,155**	$174,298	$170,745	$167,265	$163,856	$160,516	$157,244	$154,039	$150,899	$147,824

Total Present Value / Purchase Price	$5,286,454

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions

Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52
Annual Rent Payment	$214,155	$334,202	$342,123	$350,231	$358,532	$367,029	$375,728	$384,632	$393,748	$403,080
Discount Factor		0.433	0.415	0.397	0.380	0.363	0.348	0.333	0.318	0.305
Present Value for Each Year	$214,155	$144,811	$141,859	$138,967	$136,135	$133,360	$130,642	$127,979	$125,370	$122,815

Total Present Value / Purchase Price $\boxed{\$5,286,454}$

SAMPLE CALCULATION - EXERCISE OF PURCHASE OPTION IN YEAR 25

Assumptions	
Discount Rate	4.50%
Average CPI Adjustment Previous 25 Years	2.37%
Annual Rent Payment in Purchase Option Year	$214,155
Years Remaining	35

	Year 0 Rent	Year 53	Year 54	Year 55	Year 56	Year 57	Year 58	Year 59	Year 60	TOTALS
Annual Rent Payment	$214,155	$412,633	$422,412	$432,424	$442,672	$453,163	$463,903	$474,898	$486,153	$11,748,700
Discount Factor		0.292	0.279	0.267	0.256	0.244	0.234	0.224	0.214	
Present Value for Each Year	$214,155	$120,312	$117,859	$115,457	$113,104	$110,798	$108,540	$106,328	$104,160	$5,286,454

Total Present Value / Purchase Price	$5,286,454

Page 5 of 5

EXHIBIT D

This Box For Multnomah County Recording Use Only

GRESHAM

REDEVELOPMENT COMMISSION

After Recording return to: **Gresham Redevelopment Commission 1333 NW Eastman Parkway Gresham, Oregon 97030**

SEND FUTURE TAX STATEMENTS TO:
Rockwood Rising , LLC 15160 NW Laidlaw Road, Suite 108 Portland, Oregon 97229

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (this "Memorandum") is date _______ by and between Gresham Redevelopment Commission, the duly designated urban renewal agency of the City of Gresham, which has an address of 1333 NW Eastman Parkway, Gresham, Oregon 97030 ("Landlord"), and ROCKWOOD RISING LLC, an Oregon limited liability company, which has an address of 15160 NW Laidlaw Road, Suite 108, Portland, Oregon 97229 ("Tenant").

RECITALS

A. Landlord and Tenant entered into that certain Ground Lease dated_________, (the "Lease") with respect to the real property described on attached Exhibit A-1 and includes the real property described on attached Exhibit A (the "Premises").

B. Landlord and Tenant desire to record this Memorandum to put third parties on notice of certain terms contained in the Lease.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Defined Terms.**

All capitalized terms not otherwise defined herein have the meaning ascribed in the Lease.

2. **Lease Term.**

The Term of the Lease expires on ________. Tenant has two (2) options to extend the Term of the Lease, the first option for an additional twenty (20) years, and the second option for an additional nineteen (19) years. The term of the Lease in connection with the Phase I Premises shall terminate immediately upon the occurrence of the Partition Event, as defined and described in the Lease. Upon Occurrence of the Partition event, (i) the parties agree that this Memorandum will be deemed modified such that the Lease will be terminated as to the Phase II Premises and (ii) the parties agree to reasonable cooperate to execute and record such additional documents as necessary to evidence the foregoing.

3. **Option to Purchase.**

Tenant has an option to purchase and a right of first offer to purchase the Premises during the Term of the Lease pursuant to the terms and conditions set forth the Lease. Landlord has a right of first offer to purchase the Project and Improvements during the Term of the Lease pursuant to the terms and conditions set forth the Lease.

4. **General.**

a. This Memorandum must be construed in accordance with the laws of the State of Oregon.

b. This Memorandum may be executed in several counterparts and all so executed will constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

c. This Memorandum may be amended only by a written instrument executed in one or more counterparts by the parties hereto.

Statutory Disclosure. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

LANDLORD:

GRESHAM REDEVELOPMENT COMMISSION,
the duly designated Urban Renewal Agency of the City of Gresham.

By:________________________________

Justin Douglas, Executive Director

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me this day of__________-7 2026, by Justin Douglas, as the Executive Director of **GRESHAM REDEVELOPMENT COMMISSION,** the duly designated Urban Renewal Agency of the City of Gresham.

____
Notary Public for Oregon
My Commission Expires: _______________

TENANT:

ROCKWOOD RISING, LLC,
an Oregon limited liability company,
By: ______________________ __
Name: ______________________
Title: ______________________

STATE OF OREGON)
County of ________________) ss.
)

This instrument was acknowledged before me this__________day of___________, 2026, by _________________, the__________________ of ROCKWOOD RISING, LLC, an Oregon limited liability company.

____
Notary Public for Oregon
My Commission Expires: _______________

EXHIBIT A

PROPERTY

Parcel 2, PARTITION PLAT NO. 2019-53 , in the City of Gresham, County of Multnomah and State of Oregon.

EXHIBIT A-2

Page 5 - MEMORANDUM OF LEASE

EXHIBIT E
PERMITTED EXCEPTIONS

Order No.: 472518002148
Supplement - No. 3 (update)

AS OF THE DATE OF THIS REPORT, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM WOULD BE AS FOLLOWS:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims, which are not shown by the Public Records but which could be ascertained by an inspection of the Land or which may be asserted by persons in possession thereof.
3. Easements, or claims thereof, which are not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
5. Any lien, or right to a lien, for services, labor, material or equipment rental, or for contributions due to the State of Oregon for unemployment compensation or worker's compensation, heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

SPECIFIC ITEMS AND EXCEPTIONS:

6. [Intentionally Deleted]

7. [Intentionally Deleted]

8. [Intentionally Deleted]
9. [Intentionally Deleted]
10. [Intentionally Deleted]

11. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: Sidewalk
Recording Date: January 15, 2003
Recording No.: 2003-010366
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
12. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: Sidewalk
Recording Date: January 15, 2003
Recording No.: 2003-010367
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
13. Easement for the purpose shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Gresham
Purpose: **Sidewalk**
Recording Date: January 15, 2003
Recording **No.:** 2003-010368
Affects: The Easterly portion of Parcel 1, PARTITION PLAT NO. 2015-97
14. Restrictions, but omitting restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said restriction is permitted by applicable law, as shown on recorded PARTITION PLAT NO. 2015-97:
Recording Date: November 25, 2015
Recording No.: 2015-149706
Affects both Parcels described herein
15. Revocable License For Private Use Of Public Right-Of-Way Agreement, including the terms and provisions thereof;
Executed by: The City of Gresham and Gresham Redevelopment Commission
Recording Date: August 31, 2017
Recording No.: 2017-105121
Affects both Parcels described herein
16. [Intentionally Deleted]
17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: City of Gresham
Purpose: public sidewalks
Recording Date: March 6, 2018
Recording No.: 2018-024571
(Affects Parcel 2, Partition Plat No. 2018-9)
18. Landscape Maintenance Agreement, including the terms and provisions thereof;
Recording Date: May 2, 2018
Recording **No.:** 2018-046715
(Affects Parcel 2, Partition Plat No. 2018-9)
19. [Intentionally Deleted]

20. **[Intentionally Deleted)**

21. [Intentionally Deleted.]

22. [Intentionally Deleted]

23. ***AMENDED***
Matters set forth in ALTNNSPS survey prepared by Emerio Design, dated December 28, 2018, Job No. 203-004, as follows:
[a.] Alley is being used as public right-of-way, no easement provided (Parcel I)

24. Memorandum of Agreement (Land Development Agreement), including the terms and provisions thereof;
By and Between: Gresham Redevelopment Commission and Rockwood Rising, LLC
Recording Date: July 11, 2018
Recording No.: 2018-072831
(Affects Parcel 2, Partition Plat No. 2018-9)

ADDED - Memorandum of Amendment No. One
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.

Recording Date: May 10, 2019
Recording No.: 2019-047016

ADDED - Amendment No. Two, Land Development Agreement for Rockwood Rising
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831.

Recording Date: May 10, 2019
Recording No.: 2019-047017

ADDED - Amendment No. Three, Land Development Agreement for Rockwood Rising,
Purpose: Amending the Land Development Agreement a memorandum of which is recorded in the Multnomah County Deed Records at 2018-072831cluding the terms and provisions thereof,

Recording Date: September 14, 2020
Recording No.: 2020-116367

25. ***ADDED***
Decommissioning Waiver, including the terms and provisions thereof;
By and Between: City of Portland Bureau of Developmental Services and Gresham Redevelopment Commission
Recording Date: January 7, 2019
Recording No.: 2019-001696
Re-Recording Date: January 8, 2019
Re-Recording No.: 2019-002085

26. ***ADDED***
Operations & Maintenance Form for stormwater management facilities, including the terms and provisions thereof:
Recording Date: February 13, 2019
Recording No: 2019-016185

27. ***ADDED***
Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: City of Gresham
Purpose: public street lighting facilities
Recording Date: February 20, 2019
Recording No.: 2019-018066
(Affects the westerly portion of Parcel II)

28. ***ADDED***
The following matters relative to any leasehold estate or leasehold interest to be insured under the proposed policy;
a) The Company will require a full copy of the lease to be insured, together with all supplements, assignments and amendments for review. If a memorandum or short form of the lease is to be recorded, a full copy of the executed lease is still required.
b) Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by making inquiry of the lessors and their successors interest in the lease described or referred to in this report.

c) Proof that there are no parties in possession, or claiming to be in possession, other than the vestees shown herein.
The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Notwithstanding the foregoing, Exceptions 1-5 and 23 shall not be "Permitted Exceptions" if Developer pays the additional premium for extended title insurance coverage and, where applicable, provides an updated survey if required by the title company.

EXHIBIT F

ANNUAL DEBT COVERAGE RATIO

1.	Adjusted Net Operating Income (NOI)***	________
2.	Capital Expenditures	________
3.	Reserve Payments (Other than Tax and Insurance)****	________
4.	Operating Reserve*****	________
5.	Principal Payments	________
6.	Mortgage Interest Payments	________
7.	Debt Coverage Ratio (1-2-3-4)/(5+6)	$\boxed{}$

*** NOI is Operating Income less Operating Expenses, excluding mortgage interest, depreciation and amortization. This DOES include the current year land lease payment.

**** Taxes and Insurance will be treated on an accrual basis and recognized in the month they were incurred. Therefore, do not adjust for reserve payments or cash payments.

***** The Operating Reserve will be equal to one month averaging operating expenses from the trailing 12 months excluding mortgage interest, or one month mortgage interest, which ever is the smaller amount.

If the annual DCR is below 1.25, then the annual land lease payment will be reduced by the amount required to bring the DCR up to 1.25. The annual land lease payment is not cumulative; i.e. reductions in lease payment are not caught up in future years.