

GROUND LEASE AGREEMENT

This Lease is effective on the day of _____, 2008 by and between the **CITY OF PORTLAND**, a municipal corporation of the State of Oregon, by and through its Office of Management and Finance (OMF) – Facilities Services (“**Landlord**”) and **PORTLAND HOPE MEADOWS**, an Oregon nonprofit corporation (“**PHM**” or “**Tenant**”).

RECITALS

- A. The City of Portland acquired the approximately two (2) acre parcel of property located at 4221 N Willis Blvd., in Portland, Oregon, more particularly described on the attached Exhibit A (the “**Property**”), on or about January 25, 2007 from Portland Public Schools, and the City of Portland now owns fee title to the Property. The Property was the former site of the John Ball Elementary School.
- B. Pursuant to Resolution No. 36449, adopted on October 25, 2006, the Portland City Council authorized the use of the Property by PHM for the future operation of PHM’s intergenerational community for adoptive families of foster children, and seniors acting as foster grandparents, upon PHM fulfilling certain conditions required in the resolution.
- C. PHM desires to lease the Property for constructing, operating and maintaining a planned intergenerational housing community, which will be comprised of approximately 8 residences for foster children from the Oregon Foster Care system and their adoptive families, approximately 32 group living units for senior and mentor households, an intergenerational community center, gardens, landscaped areas, a play area, a courtyard and plaza, and a parking lot, subject to the design being approved through local land use review (“**Portland Hope Meadows Project**”). PHM also desires to provide on-site social services to residents. The Portland Hope Meadows Project is subject to City of Portland land use review and approval as a planned development and conditional use.
- D. The City of Portland has the authority to lease the Property to PHM, for any period not to exceed 99 years, because there is sufficient consideration, the Property is not needed for public use, and the public interest will be furthered by leasing the Property to PHM for the Portland Hope Meadows Project.
- E. PHM will be charged rent for the use of the Property and shall have responsibility for all costs and expenses associated with its use, including but not limited to development, construction, operation and maintenance of its planned housing community and related services.
- F. PHM claims no prior interest in the Property and acknowledges the City’s ownership interest and right to lease the Property to PHM.

NOW, THEREFORE, Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, on the terms and conditions set forth in this Ground Lease Agreement (the “**Lease**”):

1. **Lease of Property to Tenant.** Landlord hereby leases the Property to Tenant, and Tenant leases the Property from Landlord, for the term, at the rental, and upon all of the conditions set forth in this Lease.

Landlord will not be required to perform any work to ready the Property for Tenant’s use, except only the delivery of the property-related materials (or cooperation with Tenant’s efforts to obtain such materials) as referenced in the attached Exhibit B.

Tenant will not commence construction, demolition or other activities on the Property until Tenant waives in writing contingencies to Tenant’s obligations under this Lease, as stated in the attached Exhibit B. Any construction of the proposed improvements on the Property (the “Improvements”) will be subject to the terms and conditions stated in the attached Exhibit B concerning work to be performed.

2. **Term.** This Lease shall commence on the Commencement Date described below and continue for a term of ninety-nine (99) years (plus the partial month, if any, in which this Lease commences), unless sooner terminated under the provisions of this Lease. The “**Commencement Date**” shall be the date upon which the contingencies to Tenant’s obligations under this Lease, as stated in the attached Exhibit B, are satisfied or waived in writing by Tenant. The “**Term**” means the initial lease term stated above. Upon request, Landlord and Tenant will execute a supplemental memorandum promptly after the start of the Term confirming the actual Commencement Date and termination date.
3. **Possession.** Tenant will be entitled to possession of the Property for purposes of this Lease upon the mutual execution of this Lease; provided, Tenant will not commence any construction or otherwise commence any operation or use of the Property (other than its “due diligence” examinations of the Property) until it has waived all contingencies to its obligations under this Lease.
4. **Base Rent.** Tenant shall pay to Landlord as rent for the Property the sum of ONE DOLLAR (\$1.00) per year, in advance (the “**rent**” or “**base rent**”). Rent for the first year will be paid upon mutual execution of this Lease (the date of mutual execution of this Lease is also referred to as the “**Effective Date**”). . Base rent shall not be pro-rated for any partial year. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein. Rent will commence as of the Commencement Date, and shall be payable annually on or before the Effective Date.
5. **Additional Rent, No Offsets.** All payments required to be paid by Tenant under this Lease, other than base rent, will constitute additional rent. All rent (including base and additional rent) shall be received by Landlord without set-off, offset, abatement, or deduction of any kind.

6. **Net Lease.** The rental paid by Tenant shall be a fully net (sometimes referred to as “triple net” or “absolute net”) return to Landlord, so that from and after the Commencement Date, this Lease shall yield the base rent to Landlord net of all operating costs, maintenance and repair costs, taxes, insurance charges, assessments, governmental charges, utility costs and fees, and all other expenses of whatever kind or nature pertaining to the operation of the Property. All such costs and expenses accruing after the Commencement Date shall be paid by Tenant as to the Property.
7. **Taxes.** Unless Tenant receives tax exemption(s), Tenant is responsible for and must pay before delinquent all taxes assessed on the Property during the Lease Term against any leasehold or personal property of any kind owned by or placed upon or about the Property by Tenant and the total real property taxes and assessment levied, assessed or imposed during the Lease Term. Tenant is responsible for any business license taxes or fees, excise taxes, sales taxes, corporation taxes, income taxes, or any tax on personal property which may be imposed or assessed by any city, county, state, or federal government or any special district or agency. Upon Landlord’s request, Tenant shall provide documentation that Tenant satisfied its tax responsibility. If Landlord pays any taxes or assessment associated with the Property during the Lease Term, Tenant shall immediately reimburse Landlord upon written demand.
8. **Property Tax Exemption.** Landlord shall cooperate in any application or filing required in order to obtain an exemption from property taxes on account of Tenant’s occupancy of the Property. The parties have calculated the rent and other charges under this Lease on the basis that any such reduction in property taxes resulting from any exemption which may be available as a result of Tenant’s tax-exempt or non-profit status as belonging entirely to Tenant. The current Landlord is a tax exempt entity; in the event the Property is sold or transferred to an entity not exempted from property tax, Landlord’s successor-in-interest will be required to credit Tenant for any and all such reductions in property taxes Landlord’s successor-in-interest receives as a result of Tenant’s tax exemption. The parties recognize, however, that (i) the first filing for exemption cannot be made until next year (for the July 1, 2009-June 30, 2010 tax year); and (ii) Landlord will not be obligated to grant to Tenant a credit greater than the full amount of reduction, as and when received, in property taxes as a result of this Lease and Tenant’s tax-exempt or non-profit status. For any lease year in which the property tax exemption is unavailable or not obtained, Tenant will promptly pay to the taxing authority the amount of taxes on the Property which may be lawfully required as a result of such lack of an exemption.
9. **Tenant’s Election to Contest.** Tenant may withhold payment of any tax or assessment on the Property if a good faith dispute exists as to the obligation to pay, so long as Landlord’s property interest is not jeopardized. If the Property is subjected to a lien as a result of nonpayment, Tenant shall provided Landlord with assurances reasonably acceptable to Landlord that Tenant can and will satisfy the lien before enforcement against the Property, including but not limited to depositing cash or a sufficient corporate surety bond or other security satisfactory to Landlord in an amount sufficient to discharge the lien.

10. Uses of Property.

10.1 The Property shall be used and occupied by Tenant in accordance with the provisions of this Lease, the land use approval for the Portland Hope Meadows Project, the terms of PHM's Good Neighbor Agreements, if applicable, and all reasonably related and ancillary purposes. No other use may be made of the Property without the prior written consent of Landlord, which will not be unreasonably withheld.

10.2 Tenant shall do business on the Property under the name of Portland Hope Meadows, an Oregon nonprofit corporation. Tenant shall provide Landlord written notice prior to change of Tenant's business name or change in its corporate status.

10.3 At Tenant's own expense, Tenant shall keep and maintain the Property in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction (collectively, the "Legal Requirements"). To facilitate compliance with Legal Requirements, Tenant shall adopt reasonable occupancy rules or policies pertaining to its residents that comply with federal, state and local fair housing and non-discrimination laws.

10.4 So long as Tenant is in compliance with the terms and conditions of the Lease, the rights of Tenant to the Property shall not be disturbed, cancelled, terminated or otherwise interfered with by Landlord during the Term of this Lease, other than as permitted in Section 31 below.

10.5 Tenant shall create and implement a tobacco management policy to promote the health of children, seniors and mentors, families, employees, and visitors to the Property, and to decrease fire danger to the Property. Tenant shall not permit smoking of cigars, cigarettes, pipes, or other smoking instruments within the interiors of any structures on the Property.

10.6 In addition to any other prohibitions or limitations on Tenant's use of the Property contained in the Lease, Tenant shall not: i) use the Property in any illegal manner; ii) create any damage, nuisance or waste to the Property, including any objectionable noise, vibration, or odor to be emitted or escape from the Property, or cause defacement or injury of the improvements, including impairment of their strength or durability; iii) cause damage or injury to nearby properties or property owners; iv) create any condition which would constitute a fire or environmental hazard, or be dangerous to persons or property; v) sell any alcoholic beverages or alcoholic liquors on the Property excepting upon Landlord's prior written consent and pursuant to the limitations of state issued permit(s) or license(s); vi) sell any controlled substances on or about the Property; vii) store gasoline or other highly combustible materials on the Property except for small amounts of gasoline or fuel for yard equipment; viii) permit the sale of any pornographic material on the Property; ix) permit any cash, credit card, or coin-operated novelty or gaming machines on the Property without the prior written consent of Landlord; x) permit the use of the Property for a second-hand store, pawnshop, or for conducting auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like; or xi) maintain disabled vehicles, or engage in automotive repair or maintenance on parking lots, garages associated with any dwelling units, or elsewhere on the

Property. Tenant will also incorporate these restrictions into Tenant's leases with residents of the Portland Hope Meadow Project.

10.7 Tenant may install sign(s) and attachment(s) for identification of the Portland Hope Meadows Project. Tenant is required to comply with applicable laws regulating signs, including the Sign Code under Portland City Code Title 32. Tenant is solely responsible for costs for installation, maintenance, removal, and repair of damage related to an authorized Tenant signage. Authorized signage shall be kept in good and safe condition by Tenant. Tenant may not install signage or billboards on exteriors of the Property for the advertisement of entities or products unassociated with the purpose of Portland Hope Meadows, or for commercial purposes.

10.8 In accordance with the Lease and consistent with land use approval, Tenant shall enter into and maintain compliance with "Good Neighbor Agreement(s)" with the Portsmouth Neighborhood Association and other local neighborhood and/or business association(s) within the vicinity of the Property, to prevent and address crime and community livability issues associated with Portland Hope Meadows Project.

10.8.1 Any Good Neighbor Agreement shall be consistent with the terms and conditions imposed as a part of the local land use approval, but should also address the following areas: i) crime prevention and awareness, including proposed security measures; ii) litter, graffiti, loitering, and noise control and prevention in and around Property; iii) implementation of rules for acceptable conduct at the Property and procedures for warning, trespass and/or eviction of persons who breach such rules; iv) participation in community problem solving, including appointing a PHM representative to actively participate at Portsmouth Neighborhood Association meetings; and v) participation in the Neighborhood Mediation Program if necessary.

10.8.2 Tenant shall enter into Good Neighbor Agreement(s) with the Portsmouth Neighborhood Association and provide Landlord copies of the executed Good Neighbor Agreement(s) prior to the occupancy of Portland Hope Meadows Project or as otherwise determined through the land use approval, subject to the cooperation of Portsmouth Neighborhood Association.

10.8.3 Tenant shall comply with applicable Good Neighbor Agreement(s) and shall have such agreement(s) in place during the Lease Term.

10.9 Tenant shall work with the City's Office of Neighborhood Involvement (ONI) to incorporate "Crime Prevention through Environmental Design" (CEPTED) recommendations and suggestions during the design phase of the Portland Hope Meadows Project, and actively collaborate with ONI on issues of crime prevention.

10.10 Tenant shall inform its residents and PHM staffs of community activities, services opportunities and events, and encourage their active participation and attendance as part of the Portsmouth/Portland community.

10.11 Prior to the commencement of construction, Tenant shall not restrict access to the Property or install perimeter fencing at the Property without written permission of Landlord.

10.12 Tenant shall assume responsibility for maintaining the Property, including landscaping, and inspecting and removing property hazards as of the Effective Date.

11. Development & Construction of Portland Hope Meadows Project.

11.1 Tenant has inspected the Property and accepts the Property in its “as-is” condition. Landlord makes no representations, warranties or covenants as to the condition of the Property or its suitability for the proposed Portland Hope Meadows Project. Tenant is responsible for determining whether Tenant’s proposed use of Property conforms to applicable zoning or building codes. Landlord has no liability to Tenant for any damage or injury caused by the condition of the Property or for any latent defect in the Property or subsurface.

11.2 Unless authorized by Landlord in writing, preconstruction activities, such as relocation of utilities and provision of temporary power to the Property, transplanting trees or conducting invasive or noninvasive site studies and survey work, cannot be undertaken until after the Commencement Date. Tenant is responsible for the costs of relocation, disconnection, and connection of all improvements to be constructed on the Property to the City’s water, sewer and storm mains, and other public and private utilities.

11.3 Tenant has sole responsibility for costs and expenses for the development and construction of the Portland Hope Meadows Project. The Portland Hope Meadows Project shall be limited to the construction of buildings and facilities for the PHM program, which will be approved through initial local land use review. No other improvements or structure can be constructed on the Property without approval of Landlord. Tenant shall not seek subsequent land use review to alter or augment its use of the Property without prior consent of Landlord. Tenant shall submit a completed application for land use review to the Bureau of Development Services no later than July 21, 2009.

11.4 As inducement for the City’s agreement to enter into this Lease, Tenant represents that it will operate, manage, and maintain the Portland Hope Meadows Project and commits to do the following during its ownership of the Portland Hope Meadows Project: i) directly own, manage, and operate the Project in the manner described in Recital C above; ii) ensure that dwelling units are of mixed affordability; iii) maintain an operating fund for maintenance, repairs, and related improvements, and will provide proof of funds to Landlord upon written request; and iv) remain financially self-sustaining.

11.5 To the extent practicable, Tenant agrees to incorporate Green Building design development and construction practices at the Property. Such practices may include using green materials and paints; incorporating design strategies to reduce carbon footprint; employing renewable or alternative energy, conservation and heating/cooling options; recycling construction material; instituting stormwater management and sustainable

landscaping techniques and features; using Energy Star appliances and products; and achieving LEED certification.

12. Tenant Improvements.

12.1 All work performed on the Property shall be done in compliance with all applicable building, fire, sanitary and safety codes, and other applicable laws, statutes, regulations, and ordinances.

12.2 Tenant shall ensure that its contractors and subcontractors are licensed with the Oregon Construction Contractors Board and in compliance with Portland business license requirements. Prior to the commencement of any construction work, Tenant will provide the names of Tenant's general contractors and major subcontractors, along with copies of contractors/subcontractors' certificates of insurance and bonding to Landlord. Tenant's contractors and subcontractors must comply with the commercial general liability insurance coverage, including automobile insurance and workers compensation insurance, that is required of Tenant under the Lease, with the City of Portland named as additional insured. Tenant's contractors shall be required to have in place performance bonds or other provisions assuring the timely and diligent completion of all improvements related to the Portland Hope Meadows Project.

12.3 Tenant, its contractors, and subcontractors must comply with state and local laws, including those pertaining to equal employment opportunity and non-discrimination, and not discriminate against any employees or applicant on the basis of race, religion, color, sex, marital status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income, in all aspects of employment (e.g., hiring, promotion, transfer, advertising, layoff, termination, rates of pay, training and apprenticeship, and terms and conditions of employment).

12.4 As required by law, Tenant shall at its sole expense apply for permits and submit permit plans to the City of Portland's Bureau of Development Services or other appropriate City bureaus, or government agency with permitting responsibility ("Permitting Authorities"). Tenant shall submit plans and specifications to Landlord prior to applying for permits from the Permitting Authorities. Landlord shall have ten (10) days to review the plans and specifications and issue Landlord's written consent to Tenant's plans and specifications. If Landlord fails to response within the ten (10) day period, Tenant may apply for permits from the Permitting Authorities without having Landlord's written consent. Tenant shall provide Landlord with proof of valid permits prior to commencement of any construction work and proof of inspection approval after work completion upon Landlord's written request. Nothing in this Lease constitutes Landlord's representation that the necessary permits will be issued by any Permitting Authority. In addition to keeping Landlord inform regarding the progress of development and construction of the Portland Hope Meadows Project, Tenant shall provide Landlord with proposed and amended construction timelines and schedules as to Project development phases and completion from time-to-time or upon Landlord's written request.

12.5 Landlord's written consent to Tenant's plans and specifications creates no responsibility or liability on the part of Landlord for design completeness, sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities, and is not be construed as Landlord's warranty or approval of the adequacy, competence, experience, bonding or licensure of any contractors/subcontractors or the quality of the work that may be performed by these persons. Tenant remains liable for non-compliance and defects in any work performed by Tenant's contractors/subcontractors.

12.6 All work performed by Tenant or Tenant's contractors must be carried forward expeditiously and shall be completed within a reasonable time. All work must be completed in a good workmanlike manner. Landlord or Landlord's employees or agents have the right at all reasonable times to inspect the quality and progress of the work. Tenant will provide Landlord all construction drawings (inclusive of architectural, structural, mechanical, and electrical drawings) on computer disks in format readable by AutoCAD 2008 (or the appropriate version utilized by the City), at completion of Tenant's construction.

12.7 Once the Portland Hope Meadows Project is completed, Tenant shall make no substantial alterations, additions, or improvements to or of the Property that exceed \$50,000 without first obtaining the written consent of Landlord, which will not be unreasonably withheld. The \$50,000 allocation shall be subject to periodic increases to account for inflation upon Tenant's written request to landlord. Any modification to this provision agreed to by the parties shall be in writing and reflected in an Addendum to this Lease.

13. Liens. Tenant shall keep the Property free from all liens, including mechanics liens, arising from any act or omission of Tenant or those claiming under Tenant (except for financing by Tenant on its leasehold estate, which will bind Tenant's interest but not constitute a lien against Landlord's fee title). Tenant shall promptly pay as due all claims for work done, for services rendered or material furnished to the Property at its request. If a lien is filed as a result of nonpayment, Tenant shall, within ten (10) days after notice of filing, provide Landlord with an executed copy of a discharge of the lien, or deposit with Landlord cash or a sufficient corporate surety bond or other security satisfactory to Landlord in an amount sufficient to discharge the lien plus any costs, attorney's fees or other charges that could accrue as a result of any action arising from the lien. If Tenant fails to pay such claim or to discharge any such liens, Landlord may elect (in its discretion) to do so after at least ten (10) days' written notice to Tenant of Landlord's intention to do so, and, in that event, Landlord may collect back from Tenant the amount paid, plus interest at the rate of one (1) percent per month, compounded monthly, as additional rent.

14. Funding of Portland Hope Meadows Project.

14.1 Tenant agrees that it will have full funding to pay for construction of the Portland Hope Meadows Project and shall provide Landlord with documentation in support of this requirement prior to commencing construction.

14.2 Tenant shall be entitled to place or create an encumbrance on its leasehold estate that binds Tenant's interest but does not constitute a lien against Landlord's fee title.

14.3 Tenant will pay all necessary expenses for the operating and maintaining the Portland Hope Meadows Project, such as taxes and insurance, routine maintenance and repairs necessary to ensure the habitability of each housing unit and the safe functioning of the community center. Tenant will maintain an operating fund for maintenance, repairs, and related improvements, and will provide proof of funds to Landlord prior to commencing construction and upon written request.

15. Public Space Access.

15.1 The Portsmouth Neighborhood Association may use the intergenerational center as a meeting venue or for events upon entering into a use agreement with PHM to ensure that use of the intergenerational center is consistent with the Property's policies and rules, and does not unduly interfere with the residents' use of the intergenerational center, considering that the intergenerational center provides grandparent and mentor housing. PHM operating staff must approve scheduling associated with the intergenerational center. Other neighborhood groups or school groups may also request use of the intergenerational center, but such use will be subject to Tenant's approval and the terms set forth above. Tenant will not charge a fee for use of the intergenerational center under this section.

15.2 Tenant agrees that the public may have implied access to the Property's outdoor spaces, including the play area and courtyard, to share in enjoyment of the green spaces that will be located on the Property, subject to compliance with PHM's policies and rules or other terms agreed upon in the Good Neighbor Agreement(s). Tenant will publicly post a non-exclusive, abbreviated summary of Tenant's policies and rules to inform residents and the public of proper conduct when using the Property's outdoor space.

15.3 Nothing in this Lease prohibits law enforcement and emergency service providers, meter readers and property inspectors, and other governmental agents to reasonable and lawful access to the Property during the term of the Lease to perform their emergency service, community caretaking, regulatory and governmental functions.

15.4 Tenant is encouraged but not required to partner with the Regional Arts and Culture Council for promoting public arts display at the Property. Installation of "a work of visual art", as defined in the Visual Artists Rights Act (VARA) (17 U.S.C. Sec. 101 et seq), upon the Property shall require Tenant tendering and Landlord accepting a written waiver of moral rights under the VARA executed by the artist and acknowledging that the work may be subject to destruction or removal upon termination or expiration of the Lease.

16. Operation of the Project.

16.1 At Tenant's sole expense, Tenant shall at all times maintain the Property and all improvements of any kind, which may be erected, installed, or made thereon by Tenant in a neat, safe and healthful condition, free of trash and debris, in good condition, order, and repair.

16.2 Tenant shall maintain, repair, and replace all heating, cooling, plumbing electrical, mechanical, lighting systems, and equipments on the Property in safe and serviceable condition and in conformance with applicable codes.

16.3 Tenant shall, at all times, keep the curbs, driveways, parking lots, sidewalks and accessways on or around the Property free and clear of ice, snow, rubbish, debris, and obstruction. Tenant shall be responsible for keeping the sidewalks in serviceable condition and replacing any broken or cracked sidewalks.

16.4 Landscaping on the Property shall be maintained in neat condition, in keeping with the positive and healthful environment desired for Tenant's residents. Tenant is encouraged to install drought resistant and sustainable landscaping to reduce its water consumption and stormwater discharge.

16.5 Tenant shall prevent and control fire on the Property and comply with any rules and regulations set forth by the Fire Marshal. Tenant shall promptly pay for any fire inspection or re-inspection fee assessed to the Property and make all corrections as ordered by the Fire Marshal. All paints oils and other flammable materials shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as set forth by the Fire Marshal. Tenant is expected to institute an emergency or safety plan to protect Tenant's staff, and residents and guests of Portland Hope Meadows Project, and to carry out fire drills and to disseminate safety/evacuation information on an as needed basis.

16.6 Tenant agrees to adopt policies and rules respecting use of the Property. Tenant shall provide Landlord with the developed policies and rules. Landlord reserves the right to request that Tenant amend its policies or rules to address crime and livability issues that may occur at the Property.

16.7 Tenant's adopted policies and rules shall address public safety and security measures to ensure the safety of residents and visitors. Tenant shall provide a 24-hour safety contact number to residences within the Portland Hope Meadows Project and neighbors in the case safety concerns or issues arise.

16.8 Prior to residential occupancy, Tenant shall appoint one or more persons as its on-site property manager(s). The property manager(s) shall have experience in property management over similar sized residential housing project, have familiarity with residential landlord and tenant laws, have authority to enforce Property rules, and act as on-site representative of Tenant.

17. Utilities.

17.1 Tenant shall arrange for the provision of utilities and telecommunication services to the Property. Nothing in this Lease authorizes the installation of any telecommunications tower, structure or facility on the Property without Landlord's consent.

17.2 Tenant agrees to institute policies, programs or measures of conservation, recycling or preservation of energy and natural resource, and sustainability for the Property that would be consistent with the City of Portland's sustainability policies or programs, and sustainability laws.

17.3 The City shall not be liable for any loss, expense, or damage (whether direct or indirect) that Tenant may sustain or incur by reason of any change, failure, interference, disruption, interruption, or defect in the supply or character of the utilities furnished to the Property by the City, regardless of its duration.

18. Indemnification.

18.1 Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents and employees from any and all liability, damage, expenses, attorney's fees, causes of actions, suits, claims or judgments, arising out of or connected with (i) the use, occupancy, management, or control of the Property, (ii) any failure of Tenant to comply with the terms of this Lease or any violation of law or ordinance, and (iii) the acts or omission of Tenant, its agents, officers, directors, employees or invitees. However, Tenant shall not be liable for claims caused by the sole negligence of Landlord, its officers, agents or employees. Tenant shall, at Tenant's cost and expense, defend any and all claims, demands, actions or suits which may be brought against Tenant or Landlord or Landlord's officers, agents or employees, either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay and discharge any and all judgments, including attorney fees and costs, that may be recovered against Tenant or Landlord or Landlord's officers, agents, and employees, in any such action or actions in which they may be party defendants.

18.2 Tenant shall give Landlord prompt written notice of casualty or accident on the Property. As a material part of the consideration to Landlord, Tenant assumes all risk of damage to property or injury to persons, in, upon or about the Property from any cause other than Landlord's sole negligence, and Tenant waives all claims in respect thereof against Landlord.

18.3 Tenant shall indemnify, defend and hold Landlord harmless from any claims, judgments, damages, penalties, fines, costs, liabilities of losses (including without limitation, diminution in value of the Property) which arise during or after the lease term as a result of the presence of hazardous substances in, on, or beneath the Property that first occurred or accrued from and after the date of turnover of possession of the Property to Tenant. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any environmental cleanup, remedial, removal or restoration work in response to hazardous substances, hazardous materials, pollutants, toxins or regulated environmental contaminants of any kind as a direct or indirect result of Tenant's activities. Tenant shall promptly take all action at its sole expense as are necessary to return the Property to the condition existing prior to the release of contaminants. Except for immediate initial response actions necessary to protect human health and the environment from substantial imminent harm, Tenant shall obtain Landlord's approval of all

such response action which approval shall not be unreasonably withheld. This environmental indemnity shall survive the expiration or earlier termination of the Lease.

18.4 Tenant shall have control of the defense and settlement of any claims in this Section. However, Tenant and any attorney engaged by Tenant shall not defend the claim in the name of Landlord, nor purport to act as legal representative of Landlord, without first receiving from Landlord's attorney (City Attorney) the authority to act as legal counsel for Landlord, and shall not settle any claim on behalf of Landlord without the approval of Landlord's attorney. Notwithstanding Tenant's obligation to indemnify, defend and hold harmless Landlord, Landlord may at its election assume its own defense and settlement if Landlord determines that Tenant is prohibited from defending Landlord or is not adequately defending Landlord's interest, or determines that an important governmental principle is at issue and Landlord desires to assume its own defense.

19. Liability Insurance.

19.1 Tenant shall maintain commercial general liability and property damage insurance, including automobile liability, and a fire legal liability endorsement, that protects Tenant and Landlord and Landlord's officers, agents and employees as additional insureds from any and all risks, claims, demands, actions, and suits for damage to property including without limitation cracking or breaking of glass or personal injury, including death, arising directly or indirectly from Tenant's activities or any condition of the Property, whether or not related to an occurrence caused or contributed to by Landlord's negligence. The insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under this Lease and shall protect Landlord and Tenant against claims of third persons. The commercial general liability insurance shall provide coverage for not less than \$1,000,000 per each occurrence. Additionally, Tenant shall obtain umbrella liability insurance coverage in an amount not less than \$6,000,000. Tenant's physical property damage insurance shall cover all improvements and shall provide for at least 100 percent of replacement costs of all such property. Landlord reserves the right to require additional insurance coverage as required by statutory or legal changes to the maximum liability that may be imposed on municipalities of the State of Oregon during the term of this Lease. Landlord also reserves the right to review and require additional insurance coverage as may be needed to stay current with anticipated inflation during the term of this Lease. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds Landlord and its officers, agents, and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage shall apply as to claims between insured on the policy. The insurance shall provide that the insurance shall not terminate or be cancelled without thirty (30) days written notice first being given to Landlord. If the insurance is cancelled or terminated prior to termination of the Lease, Tenant shall provide a new policy with the same terms. Tenant agrees to maintain continuous, uninterrupted coverage for the duration of the Lease. The

automobile insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Tenant at Property and in its business.

19.2 Tenant shall also obtain insurance coverage for business interruption and loss of profit in an amount sufficient to meet Tenant's full Lease obligations and anticipated income.

19.3 Tenant shall maintain on file with Landlord a certificate of insurance certifying the coverage required by this Section. The adequacy of the insurance shall be subject to the approval of the City Attorney. Failure to maintain liability insurance and to maintain a current certificate of insurance on file with Landlord shall be a default under the terms of this Lease, if proof of such insurance is not provided within five (5) days of Landlord's written request.

19.4 Tenant shall comply with the requirements of this Section and Section 21 as to Workers Compensation Insurance, as applicable to operations related to the Property, no later than fourteen (14) days after the Effective Date.

20. Waiver of Subrogation.

20.1 Landlord and Tenant each agree to waive claims arising in any manner arising in favor of either Landlord or Tenant and against the other for loss or damage to their property located within or constituting a part or all of the Property to the extent the loss or damage is covered by liability insurance the party is required to carry under this Lease. The waiver also applies to Tenant's directors, officers, employees, shareholders and agents and to Landlord's officers, agents and employees. The waiver does not apply to claims arising from the willful misconduct of Landlord or Tenant.

20.2 Tenant acknowledges that Landlord is self-insured and that Landlord will not obtain any insurance policy under this Lease. If Tenant is unable, despite its best efforts, to find an insurance company that will issue a policy containing a waiver meeting the requirements of this Section at reasonable commercial rates, then Tenant shall give Landlord written notice within thirty (30) days after the commencement date of this Lease. Upon the date of issuance of such notice, both parties shall be released from their obligation of waiver of subrogation.

21. Workers Compensation Insurance. Tenant shall comply with the workers' compensation law, ORS Chapter 656, and as it may be amended from time to time. Unless Tenant demonstrates to the satisfaction of Landlord that Tenant is exempted from workers' compensation insurance requirements, Tenant shall maintain coverage for all subject workers and provide to Landlord proof of valid workers' compensation insurance covering the entirety of the Lease term.

22. Hazardous Substances.

22.1 The term "Hazardous Substances" as used in this Lease, shall mean all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental

Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA), and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment (the “Environmental Laws”). The foregoing requirements and limitations will not apply to substances such as landscape fertilizer or cleaning products that are in ordinary quantities and customarily and prudently used in the cleaning, maintenance and operation of residential and commercial facilities (the “Permitted Products”), but each party will in any event cause any Permitted Products to be held or used in accordance with all applicable Environmental Laws.

22.2 During the Lease Term, Tenant shall, at Tenant’s own expense, comply with all Environmental Laws. Tenant shall not cause or permit to occur: i) any violation of Environmental Laws, in, above, under, from or affecting the Property, or arising from Tenant’s use or occupancy of the Property, including, but not limited to, soil, groundwater, indoor air or outdoor air quality conditions; or ii) the use, generation, release, manufacture, refining, production, handling, processing, storage or disposal of any Hazardous Substance in, above, under, from or affecting the Property, or the transportation to or from the Property of any Hazardous Substance without Landlord’s prior written approval.

22.3 Tenant shall immediately notify Landlord in writing of: i) any material spill, discharge or release of any Hazardous Substance; and, ii) any inquiry, investigation, enforcement action, notice of potential violation, or other action that is instituted or threatened against Tenant that relates to the spill, release or discharge or Hazardous Substances in, above, under, from or affecting the Property.

22.4 Tenant shall, at Tenant’s own expense, make all submissions to, provide all information required by, and comply with all requirements of all regulatory authorities. Should any regulatory authority or any third party require that a clean up plan be prepared and that a clean up be undertaken because of any release of Hazardous Substances that occurs as a result of Tenant’s use or occupancy of the Property, Tenant shall, at Tenant’s own expense, prepare and implement the required plans and provide all financial assurances in accordance with applicable requirements.

22.5 Tenant shall promptly provide all information regarding the use, generation, storage, transportation, release, manufacture, refining, production, handling, processing, or disposal of Hazardous Substances that is requested by Landlord.

22.6 If Tenant fails to fulfill any duty imposed under this Section within a reasonable time, Landlord may do so; and in such case, Tenant shall cooperate with Landlord in order to prepare all documents Landlord deems necessary or appropriate to determine the compliance therewith; and Tenant shall execute all documents promptly upon Landlord’s request. No such action by Landlord and no attempt made by Landlord to mitigate damages under any applicable law shall constitute a waiver of any of Tenant’s obligations under this Section.

22.7 On the expiration or termination of the Lease, Tenant shall, at Tenant's own expense, remove all Hazardous Substances from the Property that were brought onto the Property by Tenant during the Term. Tenant's obligations and liabilities under this Section shall survive the expiration or termination of this Lease.

23. Damage or Destruction.

23.1 If the Portland Hope Meadows Project is damaged or destroyed by fire, or by fire and water, or by other casualty to the extent of fifty percent (50%) or more of the value thereof prior to the casualty, then Tenant may elect either to reconstruct or not to reconstruct the improvements by providing written notice to the Landlord within thirty (30) days of the damage or destruction.

23.2 If the election is not to reconstruct, then: i) this Lease shall terminate as of the date of casualty; ii) Landlord shall have the right to immediately take possession and occupy the Property to the exclusion of Tenant; iii) Tenant agrees to promptly vacate the Property no later than sixty (60) days of Tenant's election not to reconstruct; and iv) Tenant shall be responsible for relocating any tenants to suitable housing within sixty (60) days after Tenant's election not to reconstruct and pay for tenant relocation costs. If Tenant elects not to reconstruct, Tenant shall be required to clear the Property of all debris and environmental contamination associated with the damage or destruction.

23.3 If the damages resulting from the casualty does not amount to fifty percent (50%) of the value prior to the casualty, Tenant shall proceed with reasonable diligence to restore the damaged improvements to substantially the same condition as prior to the casualty, subject to any delays caused by acts of God, labor strikes, materials shortage or other events beyond Tenant's control, provided, however, that if fire or other casualty during the last ten (10) years of the lease Term causes damage to the Improvements in an amount exceeding twenty-five percent (25%) of its full construction-replacement cost, Tenant may elect to terminate this Lease by giving Landlord at least thirty (30) days' advance written notice of such termination, within thirty (30) days of the damage or destruction.

23.4 If Tenant elects to terminate the Lease, the proceeds of insurance that would be allocated solely to replacement cost of any improvements or buildings constructed on the Property, not including furniture, removable fixtures, or items otherwise removable from the premises by Tenant, shall be payable to Landlord.

24. Eminent Domain.

24.1 A party receiving any notice from a condemning authority of a proposed taking or action related to condemnation affecting the Property, or any portion thereof, shall promptly give the other party notice. If all of the Property is taken by a condemning authority, by exercise of that right or by sale or purchase in lieu of condemnation, whether the taking be a direct physical taking or an indirect taking compensable by way of severance damages or the like, then this Lease shall terminate as of the date upon which possession of the Property is

taken by the condemning authority. The net condemnation proceeds shall be divided between Landlord and Tenant in proportion to the value of their respective interests in the Property immediately prior to the taking. Landlord and Tenant agree that based on the interest of Landlord in the land and the future interest in the improvements, proceeds shall be divided as follows: where land and improvement value are separately determined in the condemnation, then 100% of the proceeds attributable to the land value shall be Landlord's, and 25% of the proceeds attributable to the value of the improvements shall be Landlord's, with the remainder of the proceeds attributable to improvements as Tenant's; where land and improvement values are not separately determined, then the condemnation proceeds shall be divided equally between the parties. If only a portion of the Property is taken and this Lease is not terminated, then (i) Tenant shall use the condemnation proceeds to make necessary repairs and alterations to the Property to permit Tenant to continue its operations thereon, and (ii) the remaining balance, if any, of the condemnation award attributable to the Property and Improvement shall be divided between Landlord and Tenant in proportion to the value of their respective interests in the Property immediately prior to the taking. If the Property remaining after the taking are sufficient for practical operation of Tenant's occupancy and use, Tenant shall proceed as soon as reasonably possible to make necessary repairs to cause the remaining Property to be comparable to that existing prior to the taking. If the portion of the Property remaining is not sufficient for practical operation of Tenant's occupancy and use, in Tenant's sole discretion, this Lease shall terminate as of the date title vested in the condemning authority. If the portion of the Property condemned consists only of land without any PHM improvement or constructed buildings, the proceeds shall be solely Landlord's. Sale of all or a part of the Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation.

24.2 Tenant will be entitled to retain any award specifically made to Tenant for interruption of business, moving expenses, or the taking of tenant's improvements, equipment or fixtures. Landlord will be entitled to any award specifically made to Landlord as severance damages for the effect of any taking on any adjoining property owned by Landlord that is not part of the Property under this Lease.

25. Ownership of Improvements.

25.1 During the Lease Term, any improvements constructed by Tenant, including but not limited to any structures, buildings, parking facilities and other improvements, and any landscaping, as well as any additions, alterations and improvements thereto or replacements thereof and any appurtenant fixtures, machinery and equipment installed therein shall be the property of Tenant.

25.2 At the expiration or sooner termination of this Lease, any improvements and any additions, alterations and improvements thereto or replacements thereof, except for such of Tenant's fixtures, machinery and equipment and personal property it desires to remove without damage to any structures or improvement, shall be surrendered to Landlord and shall become the property of Landlord. Tenant's fixtures, machinery, equipment and personal property not removed by Tenant at expiration or sooner termination of this Lease or within

thirty days thereafter shall be considered abandoned and Landlord may dispose of such property in accordance with the law governing abandoned property in effect at the time of abandonment.

26. Assignment and Subletting.

26.1 Tenant shall not assign, sublet, pledge, or transfer this Lease or any interest therein or in any way part with possession of all or any part of the Portland Hope Meadows Project, or permit or license the use or occupancy by any other person without Landlord's prior consent, except that Tenant may assign, pledge, hypothecate, encumber or otherwise transfer its leasehold estate and interest in the Property without the need for consent from Landlord in connection with any financing that Tenant may obtain in connection with initial construction of the Improvements, and any subsequent financings and refinancings that include the Property as provided in Section 37.17.

26.1.1 In addition, this Lease may be assigned or transferred by Tenant to any entity that is controlled by, controlling of, or under common control with, Tenant, or in connection with any transfer of all or substantially all of Tenant's assets or in connection with any reorganization, merger, consolidation, acquisition of a controlling interest, or other significant corporate transaction (all of the foregoing are "Permitted Transfers"), provided that Tenant provides at least ten (10) days prior notice to Landlord, and Tenant or the successor entity demonstrates to the satisfaction of Landlord that the successor entity has the financial and operational capability to manage the Property in accordance with Recital C, and that the successor operating entity of the Portland Hope Meadows Project shall be a non-profit entity.

26.1.2 Except for Permitted Transfers, any assignment, subletting, transferring, occupation, or use by any other person without the prior written consent of Landlord shall be void and shall be a material default. Tenant shall notify Landlord of any Permitted Transfer within a reasonable time after the Permitted Transfer occurs. Where Landlord's consent is required for a transfer by Tenant, Landlord will give (or reasonably deny) its consent in writing within twenty (20) days after receipt of a written request. Such request shall include the name of the transferee and such other information as Landlord may reasonably require, including but not limited to establish that the transferee has the financial and operational capability to manage the Property in accordance with Recital C, and that the transferee or transferee's designated operating entity of the Portland Hope Meadows Project shall be a qualifying non-profit entity.

26.2 In addition to any other reasonable conditions, Landlord may condition consent for assignment, sublet, or transfer other than Permitted Transfers on the following: i) the assignee is a non-profit engaged in similar operations as Tenant and has a demonstrated management and operational ability to continue operations; ii) the assignee establishes financial capability and stability to the reasonable satisfaction of Landlord; iii) the assignee will continue the principal purpose of the Portland Hope Meadows Project uses permitted for the Property. Consent to one assignment, subletting, transfer, occupation, or use by Landlord shall not be deemed to be a consent to any subsequent assignment, subletting, transfer,

occupation, or use by any other person(s). If an assignment, subletting, transfer, occupation, or use is permitted, all Rent due under the Lease received by Tenant as a result of such transaction shall be paid to Landlord promptly following its receipt by Tenant. Tenant shall pay any costs incurred by Landlord in connection with a request for assignment, subletting, transfer, occupation, or use including reasonable attorneys' fees. Tenant shall pay costs within ten (10) days of billing by Landlord.

26.3 This Lease shall not be assigned by operation of law unless: i) Tenant, its receiver or trustee or proposed assignee provides Landlord with notice of proposed assignment at least sixty (60) days prior to effective date of such assignment by operation of law; ii) Tenant, its receiver or trustee or proposed assignee demonstrates to Landlord that the proposed assignee has the same or better capability and stability than Tenant; and iii) Tenant, its receiver or trustee or proposed assignee cures all Lease defaults, or provides adequate assurances of prompt cure if such is permitted by law, prior to effective date of such assignment by operation of law.

26.4 The covenants and conditions contained in this Lease apply to and bind the heirs, successors, executors, administrators, and assigns of the parties.

26.5 Tenant may lease residential units on the Property in the normal course of its operation (i.e., adoptive families of foster children, and seniors engaged in surrogacy and mentoring).

27. Sale by Landlord. In the event of sale of the Property by Landlord, Landlord shall be entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of the sale. The purchaser shall be deemed, without any further agreement between Tenant and any such purchaser, to have assumed and to have agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

28. Early Termination Provision. Tenant may at any time (i) BEFORE commencement of demolition or construction of Tenant's Work (as defined and described in the attached Exhibit B), terminate this Lease on at least twenty (20) days' notice to Landlord if Tenant determines that the Property is not suitable for Tenant's use, or if Tenant determines that Tenant will not be able to obtain sufficient funds and financing to pay the costs for development of the Property and construction of improvements, or for other reasons Tenant abandons its plan for development of the Property, or (ii) AFTER completion of the Improvements, terminate this Lease on at least one hundred and eighty (180) days notice to Landlord, if Tenant satisfies any outstanding Leasehold Financing affecting the Improvement or obtains the consent of the holder of any Leasehold Financing to release any liens encumbering the Improvements. Upon the effective date of any such termination of this Lease, the Property will be surrendered in the condition required by this Lease and Tenant's interest in the Improvements will terminate and title to the Improvements will revert to Landlord. Notwithstanding anything herein to the contrary, if Tenant exercises Tenant's right to terminate this Lease prior to completion of the Improvements, at Landlord's option

Tenant shall be required to return the Property to substantially the same condition as the Property was in when this Lease was mutually executed.

29. Entry by Landlord.

29.1 Landlord shall have the right to enter the Property upon 48-hour written notice to Tenant: i) to inspect its conditions; ii) to submit the Property to prospective purchasers or tenants if Tenant is in default of the Lease; iii) to post notices of non-responsibility; iv) during the ninety (90) days prior to Lease termination or upon default by Tenant, to post a sign notifying the public that Property are available for leasing; and v) to repair, alterations or improvements to the Property and any portion of the building on the Property that Landlord may deem necessary to maintain the Property in a clean and orderly fashion and without defects or hazards.

29.2 If Tenant fails to maintain the Property in a clean and orderly fashion and without defects or hazards, then upon written notice and at Tenant's expense, Landlord may, but is not required to, enter the Property to rectify the condition.

29.3 Any entry to the Property obtained by Landlord shall not under any circumstances be construed or deemed to be forcible or unlawful entry into, or a detainer of, the Property, or an eviction of Tenant from the Property or any portion thereof. Tenant hereby waives any claims for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Property, and any other loss occasioned thereby pursuant to this Section.

30. Default by Tenant.

30.1 Any one or more of the following shall be an "Event of Default":

30.1.1 Failure of Tenant to pay any monetary obligations to Landlord required by this Lease within ten (10) days after receipt of written notice of nonpayment;

30.1.2 Failure of Tenant to comply with any other term or condition or to perform any obligations of this Lease, within thirty (30) days after written notice by Landlord specifying the failure with reasonable particularity. If the failure is of such nature that it cannot be completely remedied within the thirty (30) day period, then Tenant shall commence cure within the thirty (30) day period, notify Landlord of Tenant's steps for cure and estimate time table for full correction of the failure, and proceed with reasonable diligence and in good faith to correct the failure as soon as practical and to completion. Nothing prevents Landlord from accepting cure on behalf of Tenant from the holder of Leasehold Financing or an interested party.

30.1.3 The abandonment of the Property by Tenant for any duration, cessation of Tenant's use of the Property for Portland Hope Meadows Project as described herein, or Tenant's business or social services at Property, or the failure of Tenant to occupy the Property for the specific purpose required, unless such failure is excused under this Lease.

30.1.4 Tenant fails to maintain its nonprofit corporation status with the Oregon Corporation Division or fails to maintain its 501(c)(3) status pursuant to Federal law.

30.1.5 An insolvency, receivership, or bankruptcy proceeding is filed by or against Tenant or its guarantor to declare Tenant or its guarantor insolvent or bankrupt, or to seek a plan of reorganization or arrangement by Tenant or its guarantor with its creditors, unless such petition is withdrawn or dismissed within thirty (30) days after the date of its filing.

30.1.6 Appointment of receiver or trustee for the business or property of Tenant or its guarantor, unless such appointment is vacated within (10) days of its entry.

30.1.7 Tenant or its guarantor makes an assignment of Tenant's or the guarantor's property for the benefit of its creditors, or if in any other manner Tenant's or guarantor's interest in this Lease is passed to another person by operation of law.

30.1.8 If Tenant or its guarantor admits in writing of Tenant's or the guarantor's inability to meet Tenant debts as they mature.

30.1.9 Prior to taking any action to re-enter or retake possession of the Property, or to sue Tenant for damages for default, Landlord shall provide Tenant with at least ten (10) days written notice of Landlord's intent to pursue the particular remedy or remedies if the default is not cured within such time period.

30.2 Upon filing of a petition under the Federal Bankruptcy Code (Title 11 United States Code, as may be amended or supplemented):

30.2.1 Tenant or Tenant's trustee shall perform promptly and fully each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of the bankruptcy court or pursuant to the Bankruptcy Code. Acceptance of any performance does not constitute waiver or relinquishment of Landlord's rights under the Lease or the law.

30.2.2 In the event Tenant or Tenant's trustee elects to reject this Lease or where this Lease is deemed rejected pursuant to the Bankruptcy Code, then Landlord shall immediately be entitled to possession of the Property without further obligation to Tenant or the trustee.

30.2.3 In the event Tenant or Tenant's trustee elects to assume and/or to assign this Lease pursuant to the Bankruptcy Code, in addition to any other requirement imposed upon Tenant, Tenant shall: within ten (10) days from the date of assumption, cure of all Lease defaults and compensate Landlord for any actual pecuniary loss that may have resulted from Tenant's defaults, or provide adequate assurances of cure and compensation; and adequate assurances of future performance of all Tenant obligations

under the Lease. Landlord and Tenant acknowledge such conditions are commercially reasonable.

30.2.4 If Tenant or Tenant's trustee has assumed this Lease and elects to assign Tenant's interest under this Lease to any other person, such interest may be assigned only if the intended assignee has provided adequate assurance of future performance of all of Tenant's obligations under this Lease, and executes and delivers to Landlord an instrument by which the assignee assumes all obligations of the Lease from and after the date of assignment.

30.2.5 "Adequate assurance of future performance" means that Landlord has ascertained that each of the following conditions has been satisfied: (1) the assignee documents by current financial statements, certified by the chief financial officer(s), or similar financial documents showing a net worth and working capital in amounts at least equal to Tenant's and its guarantor's as of the time the Tenant became the lessee under the Lease so as to assure future performance by the assignee of all Lease obligations; (2) the assumption or assignment will not breach any use, confidentiality or exclusivity provisions in the Lease; (3) the assignee has the capability to continue the Portland Hope Meadows Project as it was designed; and, (4) Landlord has obtained consents or waivers from any third parties that may be required under a lease, mortgage, financing arrangement or other agreement by which Landlord is bound, to enable Landlord to permit such assignment.

30.2.6 Landlord's acceptance of Rent or any other payment from any trustee, receiver, assignee, person or other entity will not be deemed to have waived nor waives the requirement of Landlord's consent, Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent, or Landlord's claim for any amount of Rent due from Tenant.

31. Remedies on Default by Tenant.

31.1 Upon occurrence of an Event of Default, after expiration of notice and cure periods provided above in Paragraph 30.1.9, or whatever additional time extension for cure beyond that noted in section 30.1.9 that Landlord in its sole discretion may permit, Landlord may exercise any one or more of the following remedies:

31.1.1 Landlord may recover all damages caused by the default. Landlord may institute actions periodically to recover damages as they accrue throughout the Lease, and no action for accrued damages shall be a bar to a later action for damages subsequently accruing. Nothing in this Lease shall be deemed to require Landlord to wait until the Lease terminates to institute action. Landlord may obtain a decree of specific performance requiring Tenant to pay damages as they accrue. Alternately, Landlord may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the Lease, discounted to the time of judgment at the rate of 9 percent per annum.

31.1.2 Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant or by mandamus, suit, action or other proceeding at law, require Tenant to perform its Lease obligations. The reasonable cost of performance or proceeding to compel performance, including reasonable attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of 12 percent per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

31.1.3. The City may petition for the appointment of a Receiver to manage and operate the Portland Hope Meadow Project.

31.1.4 Landlord may exercise any other remedy available under applicable law, for any default by Tenant, and may pursue any other legal remedy for breach of contract, including (without limitation) specific performance, collection of damages, and collection of attorneys' fees and other costs and expenses.

31.1.5. If the Portland Hope Meadows Project is still encumbered by Leasehold Financing when Landlord seeks remedies for default, Landlord agrees to use reasonable efforts to pursue other remedies before seeking termination of the Lease.

32. Surrender by Tenant.

32.1 Upon expiration or termination of the Lease, Tenant shall deliver all keys to Landlord and surrender the Property and improvements to Landlord in first class condition and broom clean. Tenant does not need to restore the Property due to depreciation and wear from ordinary use. Any repair that Tenant is required to make in the Lease shall be completed prior to surrender and shall be done in accordance with applicable code.

32.2 Except for Tenant's movable trade fixtures, all fixtures placed upon the Property shall become the property of Landlord. Landlord may elect to require Tenant to remove any fixtures which would otherwise remain the property of Landlord, and to repair any damage resulting from the removal, at Landlord's sole expense. If Tenant fails to remove fixtures or make repairs, Landlord may do so at its sole expense..

32.3 Tenant shall remove all furnishings, furniture and trade fixtures that remain the property of Tenant. Failure to remove all Tenant's property shall constitute a failure to vacate and surrender Property. Property not removed shall be deemed abandoned property and of inconsequential value, and Tenant shall have no further rights therein except as provided below. Landlord may elect to: i) retain or dispose of the abandoned property as Landlord sees fit; or ii) perfect and foreclose Landlord's lien for damages, including expenses for removal and storage of Tenant's property, under ORS 87.162 et seq. If Tenant fails to vacate and surrender the Property, Landlord may take legal action to eject Tenant from the Property. Tenant shall be responsible for all consequential damages to Landlord as a result of Tenant's failure to surrender and vacate the Property in accordance with the Lease. This clause shall survive the termination of the Lease.

- 33. Holding Over.** Tenant has no right to retain possession of the Property or any part thereof beyond the expiration or termination of this Lease. If Tenant holds over, Landlord has all the rights and remedies available to a Landlord against a holdover tenant. Landlord may impose on a holdover tenant a term of month-to-month. Holdover tenant shall be obligated for paying Base Rent equal to 125% of the monthly operating expenses of the Portland Hope Meadows Project, plus all other expenses or monetary obligations payable under the Lease, and shall be subject to all obligations and conditions required of Tenant in this Lease. Landlord shall not be required to perform any work, furnish any materials or make any repairs within the Property during the holdover period. The holdover tenancy may be terminated by Landlord at will at any time. Landlord shall have the right to further adjust Base Rent or Additional Rent upon ten (10) days written notice to the holdover tenant. In the event of holdover beyond June 30th of any year, the holdover tenant shall be responsible for payment of real property taxes for the entire year without proration. Tenant remains solely responsible for relocation costs of any residents of the Project.
- 34. Default by Landlord, Remedies.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time. Landlord agrees to perform its obligations within thirty (30) days after receiving written notice from Tenant specifying where and how Landlord has failed to perform its obligations. If the nature of Landlord's obligations is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction.
- 35. Landlord's Inability to Perform.** Landlord shall not be deemed in default for the non-performance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if due to any labor dispute, strike, lockout, civil commotion or operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, or through act of God or other causes beyond the reasonable control of Landlord, providing such cause is not due to the willful act or neglect of Landlord.
- 36. Notices.** Any notices required or permitted by law or this Lease to be given to either party shall be effective upon mailing by United States certified mail, addressed as specified below, or to such other address as either party may specify to the other in writing from time to time during the term of this Lease.

To Landlord:

CITY OF PORTLAND
Office of Management and Finance
Property Management
1120 SW Fifth Avenue, Room 1204
Portland, Oregon 97204

To Tenant:

PORTLAND HOPE MEADOWS
Board President
PO Box 4582
Portland, Oregon 97208
And After Occupancy
4221 N Willis Blvd.

Portland, Oregon 97203

PORTLAND HOPE MEADOWS
Executive Director
PO Box 4582
Portland, Oregon 97208
And After Occupancy
4221 N Willis Blvd.
Portland, Oregon 97203

With Copy To:
City Attorney's Office
1221 SW 4th Avenue, Room 430
Portland, Oregon 97204

With Copy To:
Elaine R. Albrich
Stoel Rives LLP
900 SW Fifth Ave., Suite 2600
Portland, Oregon 97204

37. General Provisions.

37.1 Materiality of Covenants. Every covenant in this Lease will be construed to be material, whether or not the covenant expressly provides. No right or remedy or election provided by this Lease shall be deemed exclusive but shall, whenever possible, be cumulative with all other rights and remedies available at law or in equity. Acceptance by Landlord of any Rent or other benefits under this Lease shall not constitute a waiver of any default. Any waiver by Landlord of the strict performance of any of the covenants of this Lease shall not be deemed to be a waiver of subsequent breaches of a different character, occurring either before or subsequent to such waiver, and shall not prejudice Landlord's right to strict performance of the same covenant in the future or of any other covenants of this Lease.

37.2 Time of the Essence. Time is of the essence in this Lease.

37.3 No Subsurface or Air Rights. This Lease does not grant any rights of access to light or air over any part of the real property in which the Property are located. Landlord has no liability for interference with light and air. This Lease is not a grant of mineral rights or any subsurface rights except as necessary for excavation and installation of foundations and improvements under the Property.

37.4 No Oral Agreements. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangement, brochures, advertising, agreement and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord or its agents to Tenant with respect to the subject matter of this Lease, the Property or the building. There are no representations between Landlord and Tenant, or between any real estate broker and Tenant, other than those contained in the Lease, and all reliance with respect to any representations is solely upon representations contained in this Lease. This Lease shall not be amended or modified except

by agreement in writing signed by the parties. The City's Chief Administrative Officer, or his designee, may execute amendments to the Ground Lease, upon City Attorney approval as to form. This Lease shall not be recorded, but a short form memorandum of lease may be recorded upon written consent of Landlord, which will not be unreasonably withheld.

37.5 Authority to Execute. If Tenant is a corporation, each individual executing this Lease on behalf of that corporation shall be duly authorized to execute and deliver this Lease on behalf of the corporation, in accordance with the bylaws of the corporation, and the corporation warrants and represents that this Lease is binding on the corporation. Tenant shall provide any corporate authorization documents as may be requested by Landlord.

37.6 Right to Quiet Enjoyment. Upon Tenant paying the Rent and completely observing and fully performing all of the covenants, conditions and provisions required of Tenant, Tenant shall have quiet possession of the Property for the entire term hereof, subject to all terms and conditions of this Lease. This subsection is not applicable to a holdover tenant.

37.7 Joint and Several Obligations. If there be more than one Tenant, the obligations imposed hereunder shall be joint and several.

37.8 Parties. Landlord and Tenant are the only parties to this Lease and are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, or indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of the Lease.

37.9 Relationship of Parties. Nothing in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venturer or other association between Landlord and Tenant in connection with the business carried on by Tenant under this Lease, other than a non-residential landlord and tenant relationship. Landlord shall have no obligation with respect to Tenant's debts or other liabilities.

37.10 Severability. If any portion of this Lease is ruled invalid, void or illegal by an order of the court, the remainder of the Lease shall remain in full force and effect.

37.11 Compliance with Laws. In addition to any specific covenant in the Lease and upon Tenant's sole expense, Tenant shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county, and municipal authorities, now in force or which may hereafter be in force during the term of this Lease. Tenant shall verify to Landlord annually that Tenant is in compliance with all tax reporting and payment requirements of the Internal Revenue Services, Oregon Department of Revenue, and local taxing authorities, including the City of Portland's Bureau of Revenues (as to Portland Business License Law and Multnomah County Business Income Tax Law).

37.12 Governing Law. This Lease shall be governed by the laws of the State of Oregon. Any litigation arising under this Lease shall occur in the Multnomah County Circuit Court.

37.13 Construction of Lease. This Lease will be construed with equal weight for the rights of both parties, the terms and conditions of this Lease having been determined by fair negotiation with due consideration of the rights and requirements of both parties, and any ambiguities shall not be construed for or against either party.

37.14 Americans With Disabilities Compliance.

37.14.1 Tenant shall comply, at Tenant's sole expense, with the Americans With Disabilities Act (ADA), including any duty the ADA may impose on Landlord or Tenant as a result of Tenant's use, occupation or alteration of the Property.

37.14.2 Within ten (10) days after receipt, Landlord and Tenant shall advise the other party in writing, and provide the other party with copies (as applicable) of any notices alleging violation of or noncompliance with the ADA relating to the Property or any portion of the building to which Tenant has a right to use due to this Lease, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to the Property or any portion of the building to which Tenant has a right to use due to this Lease.

37.14.3 In the event of any assignment or sublet of the Property, Tenant and Tenant's assignee or subtenant shall agree to comply with the ADA, at their sole expense, and agree to be jointly liable under this Lease for any duty the ADA may impose upon Tenant or Tenant's assignee or subtenant as a result of their use, occupation or alteration of the Property. Landlord reserves the right to withhold consent to a proposed assignment or sublet if the assignment or sublease fails to contain provisions required by this Lease to ensure ADA compliance at the expenses of Tenant, Tenant's assignee or subtenant. Landlord further reserves the right to withhold consent to a proposed assignment or sublet if the proposed use, occupation or alteration by the assignee or subtenant shall require alterations to the Property to comply with the ADA which are inconsistent with Landlord's management interests.

37.15 Attorneys' Fees. In the event suit or action is instituted to interpret or enforce the terms of this Lease, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, upon appeal and on any petition for review, or other related proceedings, in addition to all other sums provided by law.

37.16 Changes Required by Leasehold Lender. If Tenant's lender requires any reasonable clarifications or modifications of this Lease as a condition to advancing a loan to Tenant, Landlord will cooperate in executing a modification agreement reasonably acceptable to the parties, provided that such agreement does not decrease the rent or obligations placed on Tenant under this Lease, or diminish the benefits provided to Landlord under this Lease.

37.17 Leasehold Financing. As part of initial development and construction of the Portland Hope Meadows Project and subject to the Landlord's rights in this Lease, including

Landlord's future interests, Tenant shall have the right to mortgage, pledge or otherwise encumber Tenant's leasehold estate under this Lease and its interest in the Property ("Leasehold Financing"). Such Leasehold Financing shall be and at all times remain subject to this Lease and Landlord's rights and remedies as set forth herein. Landlord shall enter into a leasehold mortgage protection agreement with Tenant's lender upon Tenant's request at any time, in form reasonably acceptable to Tenant, Landlord and such lender. No change in the rent or other economic terms of this Lease shall be required of Tenant as a condition to Landlord's consent thereto. Tenant's right to initial development and construction Leasehold Financing shall not exceed a term of forty (40) years. Tenant shall be permitted to secure Leasehold Financing for capital improvement or other projects deemed necessary to further Tenant's use of the Property, provided that Tenant obtain advance written permission of Landlord, which shall not be unreasonably withheld. It is contemplated by the parties that Tenant will not encumber its leasehold interest with Leasehold Financing to meet routine operation and maintenance costs and expenses of the Portland Hope Meadows Project.

37.18 Succession. Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

37.19 "Force Majeure" Delays. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease (a delay resulting from financial inability to perform, excepted) (collectively, "**force majeure**" events), then performance of such work or act shall be excused for the period of the delay and the period for the performance of any such work or act shall be extended for a period equivalent to the period of such delay. This provision shall not operate to excuse Tenant from prompt payment of base rental or any other payments required by the terms of this Lease.

38. Estoppel Certificates. Within ten (10) days after receipt of a written request, each party shall deliver a written statement to the requesting party stating the date to which the rent and other charges have been paid, whether the Lease is in full force and effect or has been assigned, modified, supplemented or amended in any way (and, if so, specifying the date and terms of agreement so affecting this Lease), and any other matters that may reasonably be requested, including a statement of the date this Lease was executed, the Commencement Date, the expiration date, the date Tenant entered into possession and occupancy of the Property, or statements that) ii) the Lease represents the entire agreement between the parties as to the Property; iii) that all conditions or obligations required to be performed by the either party have been satisfied; iv) that all required contributions by Landlord to Tenant on account of Tenant's improvements have been received; v) that there are no existing defenses or offsets which either party has against the enforcement of this Lease by the other; and, vi) that a security deposit has or has not been deposited with Landlord as the case may be, and the amount if deposited. It is intended that estoppel certificates delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest of the Property,

by Tenant’s lenders or other financiers, or by any entity reviewing the City for bond funding or other municipal financing.

39. Tenant’s Representation. Notwithstanding the requirement for Tenant to observe and comply with all federal, state and local laws in general, Tenant represents to Landlord that, (i) neither Tenant nor any person or entity that directly owns a 10% or greater equity interest in Tenant nor any of Tenant’s officer, director or managing member or agent is a person or entity (each, a “Prohibited Person”) with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (“OFAC”) of the Department of the Treasury (including those named on OFAC’s Specially Designated and Blocked Persons List) or under Executive Order 13224 (the “Executive Order”), signed on September 24, 2001, and entitled “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism” or other governmental action, (ii) that Tenant’s activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time) or the Money Laundering Control Act of 1986 (18 U.S.C. Sec. 1956 et seq and as amended), and (iii) that throughout the term of this Lease, Tenant shall comply with the Executive Order and with the Money Laundering Acts. Prior to execution of this Lease, and as may be requested by Landlord from time to time, Tenant shall identify and provide contact information of those persons who own a 10% or greater equity interest in Tenant, and of Tenant's officers, directors or managing members or agents, and citizenship status if other than U.S. citizens or entities. Tenant shall have a continuing duty to ensure that its equity owners, officers, directors or managing members or agents are not Prohibited Persons.

Landlord and Tenant have executed this Lease in triplicate on the day and year written, and the corporate signature of Tenant being by authority of the Board of Directors of the executing corporation.

ALL EXHIBITS AND ATTACHMENTS ARE HEREBY INCORPORATED AS PART OF THE BODY OF THIS INSTRUMENT.

PORTLAND HOPE MEADOWS, TENANT

CITY OF PORTLAND, LANDLORD

Print Name _____
Title _____
Date _____

Tom Feely
Senior Business Operations Manager
Office of Management and Finance
Date _____

Fed. Tax ID No. _____
Or. Corp. Registry No. _____

APPROVED AS TO FORM

City Attorney

EXHIBIT A

Legal Description

Lots 1 through 30, Block 136, University Park, in the City of Portland, Multnomah County, Oregon, together with that portion of vacated alley, which inured thereto by Ordinance No. 87787, Recorded September 1, 1948 as Book 1290, Page 423.

**EXHIBIT B
CONTINGENCIES; CONSTRUCTION AND DEVELOPMENT**

1. **Contingency; Due Diligence and Title Review.**

- 1.1. This Lease is subject to: (i) Tenant's receipt and approval of an environmental assessment to confirm that the Property does not contain any hazardous substances; (ii) Tenant's inspection of the Property and its "due diligence" review of the condition of the Property (physical condition, compliance with Legal Requirements, land use and other matters); (iii) Tenant's receipt and approval of a survey and a leasehold title insurance policy on the Property, as described below; (iv) Tenant's determination that Tenant has adequate financing and support to pay for or finance the cost of development of the Property with the Improvements; and (v) approval of this Lease by Tenant's Board (to the extent required of, or desired by, Tenant).
- 1.2. Promptly after execution of this Lease, the parties will co-operate in causing the following to be obtained and delivered to both parties (unless Tenant waives the requirement in writing): (i) a **current "Level One" environmental assessment** to confirm that the Property does not contain any Hazardous Substances, which will be certified to Landlord and Tenant; (ii) a **land survey** of the Property to be provided by a licensed surveyor or civil engineer, in form reasonably acceptable to, and to be certified to, Landlord and Tenant, and in sufficient detail to provide the basis for an ALTA policy of title insurance without boundary, encroachment or survey exceptions; (iii) a current **preliminary title insurance commitment/report** acceptable to Tenant from _____ ("Title Company"), showing that Landlord is the fee owner of good and merchantable title without exceptions that would materially interfere with Tenant's ability to use the Property for its intended purpose; and (iv) any **soil tests, geotechnical studies, environmental tests or audits and other reports or studies on the physical condition of the Property** as may be in Landlord's possession (**but without warranty by Landlord as to the accuracy or reliability of the same**).
- 1.3. Tenant will be responsible for the cost of the "Level One" assessment, and the cost of the land survey and any lot line, land partition, tax lot change or similar actions needed for this transaction. The cost of a "standard form" leasehold title insurance policy in the amount of the fair market value of the Property will be paid by Tenant upon issuance of a leasehold title insurance policy to Tenant (which will not be required unless and until Tenant waives all contingencies to its obligations under this Lease other than the issuance of such title policy). If Tenant requires an "extended coverage" title insurance policy, then the incremental premium difference (of extended vs. standard coverage) will be paid by Tenant. Landlord will sign the Title Company's standard form of ALTA affidavit, if required, and otherwise cooperate in Tenant obtaining the "due diligence" materials described above. Notwithstanding anything to the contrary contained in this provision, Landlord shall not be obligated to pay any of the costs under subsection 1.2 or this subsection 1.3.
- 1.4. Tenant will promptly review the "due diligence" materials turned over by Landlord or obtained by Tenant to determine the environmental and other physical conditions of the

Property, and may terminate this Lease by written notice to Landlord if Tenant is not reasonably satisfied with the results thereof. In such event, all obligations of the parties under this Lease shall thereafter cease, unless Tenant notifies Landlord (within ten (10) days after Tenant's receipt of any such rescission notice from Landlord) that Tenant elects to waive its prior disapproval.

2. **Fund Raising and Financing.**

2.1. Tenant will use commercially reasonable efforts to keep Landlord informed, on its request, as to the overall status of Tenant's efforts to raise funds, obtain contributions, and to obtain financing for the intended development of the Property and construction of the Improvements (but Tenant will not be required to divulge any information about donors or other information that Tenant considers to be confidential or not necessary to be disclosed in order to provide Landlord with an update on the overall status of raising of funds or obtaining of financing sufficient to pay for the construction and development work).

3. **Tenant's Right to Terminate.**

3.1. Notwithstanding the nature of the delaying cause (including "force majeure" delays), in the event that Tenant is unable to obtain (i) the funds and financing or (ii) Governmental Approvals, that are necessary for the intended development of the Property and construction of the Improvements, not later than an "outside" date of eighteen (18) months after the Effective Date (the "**Drop Dead Date**"), then either party may elect to cancel this Lease upon written notice to the other party, in which event both parties will have no further obligation to the other pursuant to this Lease; provided, that if Tenant is still diligently pursuing such funds and financing and/or building permits or approvals and reasonably believes that it will be able to obtain them within an additional six (6) month period after such Drop Dead Date, then the Drop Dead Date will be extended on Tenant's request for an additional six (6) month period. If at any time prior to such Drop Dead Date Tenant determines that the such funds and financing and building permits or approvals cannot be obtained and/or contingencies cannot be removed, Tenant shall give Landlord not less than 15 days' notice of termination of this Lease, specifying the matter(s) that cannot be satisfied.

4. **Landlord's Work.**

4.1. There is no "Landlord's Work" other than delivery of the Property to Tenant in compliance with the representations stated above and as described in this Lease.

5. **Tenant's Work.**

5.1. Tenant will be responsible for obtaining the building permit and all other approvals required in connection with the development and construction work required to construct the Improvements ("**Tenant's Work**"), and for complying with all terms and requirements of the Lease. Tenant will perform all demolition and construction work required to removed existing improvements and construct the Improvements, after Tenant removes contingencies and obtains the requisite funds and financing. Tenant will

obtain any permits required for Tenant's Work. After Tenant's Work is commenced, Tenant will diligently pursue it to completion in a good and workmanlike manner. Tenant shall notify Landlord when the work is completed. Tenant will be solely responsible for paying all direct and indirect construction costs, and Landlord may post (and Tenant will maintain) notices of non-responsibility on the Property. Tenant shall cause the Portland Hope Meadows Project to be expeditiously completed. Construction of the Portland Hope Meadows Project shall be completed within 60 months of the Effective Date. If the Portland Hope Meadows Project is not completed within 60 months of the Effective Date, Landlord has the right to void the Lease unless the parties mutually extend this project completion deadline in writing.

6. **Lien Claims; Right to Contest.**

6.1. In the event a lien is filed against the Property by reason of Tenant's Work or any subsequent alteration, addition or repair to the Property made by or at the order of Tenant, Tenant shall be allowed to contest such lien; provided, however, that if the lien claimant commences foreclosure, Tenant shall cause such lien to be bonded within thirty (30) days thereafter so as to release it as a lien from the Property. Tenant hereby agrees to hold Landlord harmless from and against any and all claims and demands by contractors or other third parties against the Property relating to or arising out of such work, alteration, addition or repair.

7. **Work Product to Landlord.**

7.1. If for any reason this Lease is terminated, Tenant shall deliver to Landlord, upon its request, the written work product pertaining to the Property and Tenant's Work, including all Plans, drawings, supporting data, studies, and any surveys (the "**Project Work Product**"); provided, the Project Work Product will exclude (i) any information that Tenant considers to be confidential or proprietary in nature and that would not reasonably be useful to any subsequent development or use of the Property by Landlord or third parties; (ii) any information or material on funds or financing that Tenant was pursuing or obtained.