

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-164**

Approving Ground Lease with Mid-Co Apartments Limited Partnership Leasing Surplus County Property at the Mid-County Health Center Site at 12710 SE Division, Portland, and Authorizing County Chair to Execute Appropriate Documents

**The Multnomah County Board of Commissioners Finds:**

- a. Mid County Health Services property located at 12710 SE Division has undeveloped land to the south of its parking lot as described in Exhibit A to the attached Ground Lease (property). The property is zoned residential, and the city has determined that expansion of the clinic or the parking lot will not be allowed. The parcel was originally landlocked, but development within the last five years has brought street and infrastructure improvements. The property is not needed for any County purposes and is surplus.
- b. By Resolution No. 01-170, the Board approved a project charter for ground leasing the surplus property at the Mid-County Health Center Site for development of approximately 62 units of new special needs housing. It has been determined that it is only feasible to develop 46 units on the site.
- c. Mid-Co Apartments Limited Partnership has stated its commitment to lease and develop on the property one building containing approximately 30 units of housing and another building containing approximately 16 units of housing in accordance with the attached Ground Lease.

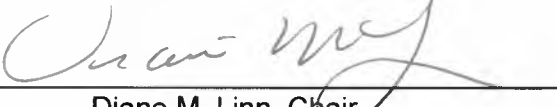
**The Multnomah County Board of Commissioners Resolves:**

1. Multnomah County shall enter into a real property lease agreement leasing the property to Mid-Co Apartments Limited Partnership.
2. The County Chair is authorized to execute a Ground Lease substantially in the form attached with Mid-Co Apartments Limited Partnership for the property at the Mid-County Health Center site and to execute such other documents as are necessary to consummate the transaction.

ADOPTED this 4th day of December, 2003.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED: \_\_\_\_\_

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By \_\_\_\_\_  
John S. Thomas, Assistant County Attorney

## GROUND LEASE

THIS GROUND LEASE ("**Lease**") is made and entered on \_\_\_\_\_, 2003, by and between MULTNOMAH COUNTY, a political subdivision of the State of Oregon ("**Landlord**"), and MID-CO APARTMENTS LIMITED PARTNERSHIP, an Oregon limited partnership ("**Tenant**"). This Lease shall be effective as of the date this Lease has been fully executed by the parties ("**Effective Date**").

Landlord leases to Tenant, and Tenant leases from Landlord, the real property described on the attached Exhibit A, in Multnomah County, Oregon and all rights, privileges, and easements appurtenant thereto ("**Premises**") subject, however, to the encumbrances of record.

Landlord and Tenant agree as follows:

### Section 1. Project Conditions

**1.1** Upon the terms and conditions herein contained, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises. Tenant intends to finance and develop on the Premises one building containing approximately 30 units of housing and another building containing approximately 16 units of housing, for a combined approximate total of 46 units of housing, for Qualified Tenants (as defined in Section 5) ("**Apartment Buildings**"). The term "**Apartment Buildings**" shall include the buildings and all related improvements and all subsequent additions thereto. The Apartment Buildings shall be operated as provided in Section 5. This Lease shall be conditioned on Tenant obtaining all necessary governmental approvals, all required permits, the funding required to develop the Apartment Buildings, and any other approvals, loan and lease commitments, or contracts reasonably determined to be necessary by the Tenant. ("**Approvals, Permits, and Funding**").

**1.2** The foregoing condition shall be for the benefit of both parties. Tenant shall have one hundred eighty (180) days after the Effective Date (the "**Contingency Period**") to obtain the Approvals, Permits, and Funding. Tenant may extend the Contingency Period for an additional one hundred twenty (120) days, by requesting such extension in writing delivered to Landlord not less than three (3) days prior to the expiration of the Contingency Period which request shall be accompanied by documents showing that Tenant has applied for all required Approvals, Permits, and Funding and is diligently attempting to obtain the same.

**1.3** This lease shall terminate upon the expiration of the Contingency Period or any extension thereof under Section 1.2 unless prior to the date of such expiration Tenant provides documentation to Landlord showing that tenant has obtained the Approvals, Permits, and Funding together with a written statement that Tenant elects to proceed with the construction of the Apartment Buildings.

1.4 Landlord shall cooperate with Tenant in all respects in connection with satisfying the condition. Landlord shall execute such applications and other instruments reasonably necessary to satisfying the condition, provided that Landlord shall not be required to pay any application fees or incur any other costs or liability in connection with satisfying the condition. Landlord shall appear as a witness in any legal or administrative proceedings to the extent necessary to satisfy the condition.

## **Section 2. Construction of the Apartment Buildings**

2.1 Tenant shall submit to Landlord a preliminary site plan and elevations depicting the Apartment Buildings to be constructed on the Premises and the same shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld or delayed. Written confirmation of Landlord's approval of preliminary site plan shall be delivered to The Banc of America Housing Fund IVA Limited Partnership, LLLP ("**Limited Partner**"). So long as the final building plans and specifications ("**Plans**") are substantially consistent with the preliminary site plan and elevations approved by Landlord and comply with applicable building codes, Landlord shall have no right of approval with respect to the Plans or any change which may be made to the Plans by Tenant from time to time. After completion of construction of the Apartment Buildings, Tenant shall provide Landlord with a complete set of Plans for the Apartment Buildings and any such alterations as built as well as a copy of an "as built" survey thereof. Tenant shall keep Landlord fully informed of the status of all work undertaken or to be undertaken on the Premises. In the event of any dispute regarding the Plans, the matter shall be arbitrated in accordance with the provisions of Section 31 of this Lease.

2.2 Tenant shall, subject to acts of God, strikes, or any other reason beyond the reasonable control of Tenant, diligently prosecute the work to completion after it is commenced. The work shall be performed in accordance with all Legal Requirements and in a good and professional manner. For the purposes of this Lease, the term "**Legal Requirements**" includes all present and future laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments, departments, commissions, boards, and officers, foreseen or unforeseen, ordinary as well as extraordinary. Landlord shall have the right to inspect the work at reasonable intervals subject to the supervision of Tenant and in a manner that will minimize any interference with the work.

2.3 It is expected that half-street improvements will be constructed on SE 127<sup>th</sup> Avenue adjacent to the Premises at the sole expense of Tenant and that a strip of land parallel to SE 127<sup>th</sup> Avenue located on the Premises will be dedicated by Landlord to the City of Portland in order to allow for the completion of such half-street improvements. Tenant consents to the dedication by Landlord to the City of Portland of land necessary to construct the half-street improvements and the parties agree that the Premises thereafter shall refer to the real property described on Exhibit A less the portion of the Premises dedicated by Landlord to the City of Portland for the required half-street improvements. Landlord agrees to dedicate such land to the City of Portland as shall be necessary to complete the half-street improvements required for the Project.

### **Section 3. Term; Rent**

**3.1** The term of this Lease ("***Term***") shall commence on the Effective Date and shall expire at 12:01 a.m. 70 years from the date a Certificate of Occupancy for the Apartment Buildings is obtained by the Tenant. The parties shall execute an addendum to this lease which specifies the date of the Certificate of Occupancy.

**3.2** Tenant agrees to pay to Landlord annual rent in the amount of One Thousand Dollars (\$1,000.00) for the first year of the Term. Lessor shall adjust the rent for each subsequent year of the Term in the same percentage as the increase, if any, in the Consumer Price Index (the "***Index***") published by the United States Department of Labor, Bureau of Labor Statistics. The change shall be computed by comparing the schedule entitled "U.S. City Average, All Items, All Urban Consumers, 1982-84=100" for the latest available month preceding the month in which the Term commenced with the same figure for the same month in the years for which the adjustment is computed. All comparisons shall be made using Index figures derived from the same base period and in no event shall this provision operate to decrease the rent for the Premises below the initial stated rent. If the Index cited above is revised or discontinued during the Term, then the Index that is designated to replace it by the Portland Association of Building Owners and Managers shall be used.

**3.3** Rent for the first year of the lease shall be paid on the Effective Date. Thereafter, rent shall be paid in advance, on the annual anniversary date of the Effective Date. Accrued but unpaid Rent shall bear interest at five percent (5%) interest from the due date.

**3.4** All amounts payable by Tenant to Landlord under the terms of this Lease shall be paid at the office of Landlord, located at Multnomah County, Facilities and Property Management, 401 N. Dixon Street, Portland, Oregon 97227, or at such other place as Landlord shall from time to time designate by notice to Tenant, in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment.

**3.5** It is intended that the rent provided for in this section shall be an absolutely net return to Landlord throughout the Term, free of any expense, charge, or other deduction whatsoever, including all claims, demands, or setoffs of any nature whatsoever.

**3.6** Tenant shall pay without notice, except as may be provided in this Lease, and without abatement, deduction, or setoff, as additional rent, all sums, impositions, costs, and other payments which Tenant in any of the provisions of this Lease assumes or agrees to pay, and in the event of any nonpayment, Landlord shall have (in addition to all other rights and remedies) all the rights and remedies provided for in this Lease or by law in the case of nonpayment of the rent.

### **Section 4. Use**

**4.1** The Premises shall be used and operated by Tenant for the purposes of developing, managing, and operating the Apartment Buildings, and for all uses incidental to such

principal use, including uses for office purposes and for storage of goods. Tenant shall keep the Premises and sidewalks and service-ways adjacent to the Premises neat, clean, and free from dirt, rubbish, and pests at all times, and shall store all trash and garbage within the Premises, arranging for the regular pickup of such trash and garbage at Tenant's expense. Tenant shall operate the Apartment Buildings at all times in a professional manner and keep the Premises in a condition comparable to other high quality multi-family facilities in the surrounding neighborhood.

**4.2** Tenant may not use the Premises for any other purpose without the prior written consent of Landlord. Tenant acknowledges that any violation of the foregoing provisions of this section by Tenant constitutes a material breach of this Lease.

**4.3** Tenant shall not use or store on any part of the Premises Hazardous Substances, except in compliance with Legal Requirements and only if required to complete the Apartment Buildings. The term "**Hazardous Substance**" means any hazardous, toxic, or dangerous substance, waste, or material that is the subject of environmental protection under Environmental Standards, including but not limited to the items listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101) or designated as hazardous substances by the United States Environmental Protection Agency (40 CFR pt 302).

**4.4** Tenant shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including but not limited to zoning variances, special exceptions, and nonconforming uses), privileges, franchises, and concessions that now apply to the Premises.

**4.5** Landlord shall execute, deliver, and record in the official land deed records of the county in which the Premises are located a Declaration of Land Use Restrictive Covenant (the "**Declaration**") relating to the allocation of low income housing tax credits to the Premises and creating covenants running with the land governing the use, occupancy, and transfer of the Premises.

**4.5.1** Tenant agrees that its interest under this Lease shall be subordinate and junior to the interests of the Oregon Housing and Community Services, a governmental agency of the State of Oregon ("**OHCS**"), pursuant to the Declaration to be recorded in favor of OHCS with regard to the Premises.

**4.5.2** Tenant agrees that the covenants and restrictions set forth in the Declaration are binding upon Tenant, and Tenant agrees to comply with the leasing and other requirements contained therein, including but not limited to restricting rent and qualifying incomes as provided in the Declaration.

## **Section 5. Operating Requirements**

**5.1** Tenant shall be solely responsible for the management and operation of the Apartment Buildings. Such management and operation shall be consistent with the terms and conditions of this Lease including, without limitation, Section 4.

5.2 The Premises shall be operated in a manner consistent with the following requirements:

5.2.1 The Apartment Buildings shall be operated for "*Qualified Tenants.*" Qualified Tenants shall be those persons with persistent and chronic mental illness, a dual diagnosis which includes a persistent and chronic mental illness, or a substantially similar diagnosis.

5.2.2 Unless more restrictive income requirements are imposed by funding sources for the Apartment Buildings:

5.2.2.1 One hundred percent of the units of the Apartment Building shall be occupied by Qualified Tenants who have incomes that do not exceed 50 percent of the median family income (adjusted for family size) for Multnomah County; and

5.2.2.2 During the compliance period as provided in IRC Section 42(i)(2), at least 22 of the units of the Apartment Building shall be occupied by Qualified Tenants with income less than or equal to 30 percent of the median family income (adjusted for family size) for Multnomah County.

5.2.3 The rent for each unit may not exceed 30 percent of the imputed income applicable to such unit as provided in IRC Section 42(g)(2)(A).

5.2.4 In the event that assistance under Section 8 of the United States Housing Act of 1937 or any comparable federal or state low-income housing assistance is terminated or the construction or permanent loan is in default, Tenant may increase the rent for units specified in Section 5.2.2.2 to the rent allowable for units occupied by Qualified Tenants with income less than or equal to 50 percent of the median family income (adjusted for family size) for Multnomah County.

5.2.5 The Apartment Buildings shall be operated in accordance with all laws, licenses, permits, regulations applicable to, and in a manner at least equal in cleanliness, safety to, similar facilities serving the housing needs of the persistently and the chronically mentally ill in Multnomah County.

5.2.6 Tenant shall operate the Apartment Buildings as supportive housing, providing a range of individualized services to meet residents' multiple treatment, rehabilitation and support needs, including case management, intensive home-based supports when needed, and crisis services.

5.2.7 Tenant shall provide to Landlord, annually, copies of Tenant's annual operating budget and capital improvement budget. Tenant shall further provide to Landlord, annually, any and all reports required by funding sources, including without limitation, the annual audit of the Apartment Buildings and any audit of the Tenant prepared by an independent financial firm for the tax credit partners.

5.2.8 During the Term of this Lease, Tenant shall maintain a reserve account in accordance with the requirements of the Capital Improvements and Replacement Reserve Agreement ("**Reserve Agreement**") relating to the Premises and the Apartment Buildings between Tenant and the City of Portland acting through the Portland Development Commission ("**PDC**"). Such account shall be maintained in accordance with the terms of the Reserve Agreement even if no longer required by PDC and even if the Reserve Agreement with PDC is terminated. In either such event, Landlord and Tenant agree that the Reserve Agreement shall remain in effect as between Landlord and Tenant and shall be treated as though the rights and obligations of PDC under the Reserve Agreement had been assigned by PDC to Landlord. Upon termination of this Lease, Tenant shall transfer to Landlord the balance in the reserve account for use by Landlord in conjunction with continued operation of the Apartment Buildings.

5.3 Tenant acknowledges that any violation of the foregoing provisions of this section by Tenant constitutes a material breach of this Lease.

## **Section 6. Liens**

6.1 Tenant shall have no power to do any act or to make any contract that may create or be the foundation for any lien, mortgage, or other encumbrance on the reversion or other estate of Landlord or on any interest of Landlord in the Premises.

6.2 Tenant shall not suffer or permit any materialmen or mechanic's liens to attach to the interest of Tenant in all or any part the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Tenant or anyone occupying or holding an interest in all or any part of the Apartment Buildings on the Premises. If any such lien shall at any time be filed against the Premises, Tenant shall cause the same to be discharged of record within 60 days after the date of filing the same, by either payment, deposit, or bond.

6.3 Landlord shall have the right to post and keep posted at all reasonable times on the Premises and on the Apartment Buildings any notices that Landlord shall be required to post for the protection of Landlord and of the Premises and of the Apartment Buildings from any such lien. The foregoing shall not be construed to diminish or vitiate any rights of Tenant in this Lease to construct, alter, or add to the Apartment Buildings.

## **Section 7. Taxes and Other Charges**

7.1 Tenant shall pay and discharge, or cause to be paid and discharged, before any fine, penalty, interest, or cost may be added for nonpayment, all real estate taxes, if any, personal property taxes, excise taxes, business and occupation taxes, and assessments which, at any time during the Term, shall be or become due and payable and which:

7.1.1 Shall be levied, assessed, or imposed against the Premises or the Apartment Buildings or any interest of Landlord or Tenant under this Lease; or

7.1.2 Shall be or become liens against the Premises or the Apartment Buildings or any interest of Tenant under this Lease; or

7.1.3 Shall be levied, assessed, or imposed on or against Landlord by reason of any actual or asserted engagement by Tenant, in any business, occupation, or other activity in connection with the Premises or the Apartment Buildings; or

7.1.4 Shall be levied, assessed, or imposed on or in connection with the ownership, leasing, operation, management, maintenance, repair, rebuilding, use, or occupancy of the Premises or the Apartment Buildings;

under or by virtue of any present or future Legal Requirement, (all of such taxes, assessments, and other governmental impositions and charges that Tenant is obligated to pay being collectively called "*Taxes*").

7.2 Any Tax relating to a fiscal period of the taxing authority, a part of which is within the Term and a part of which is before or after the Term, shall be apportioned and adjusted between Landlord and Tenant so that Tenant shall pay only the portions that correspond with the portion of such fiscal periods included within the Term.

7.3 Tenant covenants to furnish to Landlord, within 45 days after the last date when any Tax must be paid by Tenant as provided in this section, official receipts, if such receipts are then available to Tenant, of the appropriate taxing authority, or other proof satisfactory to Landlord, evidencing payment.

7.4 Tenant shall have the right at Tenant's expense to contest or review the amount or validity of any Tax or to seek a reduction in the assessed valuation on which any Tax is based, by appropriate legal proceedings. Tenant may defer payment of such contested Tax on condition, however, that if such contested Tax is not paid beforehand and if such legal proceedings shall not operate to prevent the enforcement of the collection of the Tax so contested and shall not prevent the sale of the Premises or the Apartment Buildings to satisfy the same, then before instituting any such proceedings Tenant shall furnish to Landlord and to any Permitted Leasehold Mortgagee (as defined below), if so required by the terms of its mortgage, a surety company bond, cash deposit, or other security reasonably satisfactory to Landlord, as security for the payment of such Tax, in an amount sufficient to pay such Tax, together with all interest and penalties in connection with such Tax and all charges that might be assessed against the Premises or the Apartment Buildings in the legal proceedings. Upon termination of such legal proceedings or at any time when Landlord or any such Permitted Leasehold Mortgagee shall determine the security to be insufficient for the purpose, Tenant shall forthwith, on demand, deliver to Landlord or such Permitted Leasehold Mortgagee additional security as is sufficient and necessary for the purpose, and on failure of Tenant so to do, the security originally deposited shall be applied to the payment, removal, and discharge of the Tax and the interest and penalties in connection with the Tax and the charges and costs accruing in such legal proceedings and the balance, if any, shall be paid to Tenant provided that there is then no uncured default under this Lease. In the event that such security shall be insufficient for this purpose, Tenant shall forthwith pay over to Landlord or to any such Permitted Leasehold Mortgagee an amount sufficient, together with the security originally deposited, to pay the same. Tenant shall not be entitled to interest on any money deposited pursuant to this section.



7.5 Any contest as to the validity or amount of any Tax, or assessed valuation on which such Tax was computed or based, whether before or after payment, may be made by Tenant in the name of Landlord or of Tenant, or both, as Tenant shall determine, and Landlord agrees that it shall, at Tenant's expense, cooperate with Tenant in any such contest to such extent as Tenant may reasonably request, it being understood, however, that Landlord shall not be subject to any liability for the payment of any costs or expenses in connection with any proceeding brought by Tenant, and Tenant covenants to indemnify and save Landlord harmless from any such costs or expenses. Tenant shall be entitled to any refund of any such Tax and penalties or interest that have been paid by Tenant or by Landlord and reimbursed to Landlord by Tenant.

7.6 The parties shall use reasonable efforts to see that all communications from the governmental authorities respecting Taxes are sent directly by such authorities to Landlord. Landlord shall forward any and all communications to Tenant within two (2) days after Landlord's receipt. The certificate, advice, receipt, or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Tax or nonpayment of such Tax shall be prima facie evidence that such Tax is due and unpaid or has been paid at the time of the making or issuance of such certificate, advice, receipt, or bill.

## **Section 8. Insurance**

8.1 Tenant, at Tenant's sole cost and expense, shall maintain, for the mutual benefit of Tenant, Landlord, and any Permitted Leasehold Mortgagee property insurance covering loss or damage by fire, and such other risks covered by special form coverage insuring the full replacement cost of the Apartment Buildings (excluding foundation and excavation cost). Tenant shall obtain endorsements to its special form policy to maintain the following coverage to the extent available at commercially reasonable rates: (1) flood, (2) earthquake, (3) business interruption, (4) indirect loss, and (5) boiler and machinery perils. The amount of such insurance policy shall be increased from time to time as the full replacement cost of the Apartment Buildings increases. Any dispute regarding insurance matters shall be arbitrated by the parties.

8.2 In the event of any casualty damage to the Apartment Buildings, Landlord may make proof of loss if Tenant fails to do so within 15 days of the casualty and after 10 days' written notice from Landlord of its intent to do so. If the insurance proceeds ("**Proceeds**") on the Apartment Buildings equal more than 10% of the replacement cost of the Apartment Buildings, then all Proceeds shall be paid to a bank trust department ("**Trustee**") as trustee for the parties. The Trustee shall be selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld or delayed. If the Proceeds are less than such amount, then the Proceeds shall be delivered to Tenant. Tenant shall promptly repair or replace the damaged and destroyed Apartment Buildings in substantially the form on the date of the casualty or in a manner reasonably satisfactory to Landlord. The Trustee shall pay or reimburse Tenant from the Proceeds for the cost of repair, restoration, or replacement on satisfactory proof of expenditure by Tenant, satisfactory evidence of sufficient progress on the work, and satisfactory evidence of sufficient funds available to complete restoration. The Trustee shall not be liable to the parties except in the event of gross negligence or fraud. The Trustee shall be entitled to deduct a customary and reasonable charge for its services. Any proceeds not used for the repair,

restoration, or replacement of the Apartment Buildings shall be distributed on the same basis as any condemnation proceeds pursuant to the provisions of Section 18 below. Any dispute regarding the distribution of Proceeds shall be arbitrated. Neither party, nor its officers, directors, employees, agents, or invitees, shall be liable to the other party or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure, or other tangible property normally covered under a special form policy of property insurance even though such loss or damage might have been occasioned by the negligence of such party, its agents, or employees.

**8.3** Tenant, at its expense, shall maintain at all times during the Term of this Lease commercial general liability insurance in respect of the Premises and the conduct or operation of its business, with Landlord as additional insured, with \$ 2,000,000 minimum combined single-limit coverage, or its equivalent. Such policies shall contain such endorsements and deductibles as are reasonably requested by Landlord and the exclusions shall be limited to those approved by Landlord, such approval not to be unreasonably withheld. Such insurance shall include contractual liability coverage in such amount for the Tenant's indemnification obligations contained herein. Tenant shall maintain commercial business automobile liability coverage for owned, nonowned, and hired automobiles at limits of \$ 1,000,000 per person per accident. Tenant shall at all times maintain, or cause to be maintained, adequate workers' compensation insurance coverage for all persons employed on the Premises with a waiver of subrogation endorsement in favor of Landlord if commercially available. Such workers' compensation insurance shall be in accordance with the requirements of applicable federal, state, and local law.

**8.4** All insurance policies (except workers' compensation policies) shall be written as primary policies and shall not be contributing with or be in excess of the coverage that either Landlord or Tenant may carry. All such insurance policies shall be issued in the name of Tenant, with Landlord and any Permitted Leasehold Mortgagee being included in the insurance policy definition of who is an additional insured, shall contain a standard mortgagee's clause in form satisfactory to the Permitted Leasehold Mortgagees, and shall be primary to any insurance available to Landlord.

**8.5** All policies of insurance shall be issued by good, responsible companies, reasonably acceptable to Landlord and any Permitted Leasehold Mortgagee and qualified to do business in the state of Oregon. Executed copies of such policies of insurance, including additional insured endorsements specifically providing coverage for Landlord, shall be delivered to Landlord and any Permitted Leasehold Mortgagee prior to the Effective Date, and renewal policies shall be delivered to Landlord and any Permitted Leasehold Mortgagee within 30 days before the expiration of the term of each such policy. Insurance certificates shall not be accepted in lieu of the actual policies and endorsements. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All policies of insurance must contain a provision that the company writing the policy shall give Landlord and any Permitted Leasehold Mortgagee 30 days' written notice in advance of any cancellation, substantial change of coverage, or the effective date of any reduction in amount of insurance.

**8.6** Landlord may from time to time, but not more frequently than once every three years, require that the amount of commercial general liability insurance to be maintained by Tenant under this Section be increased to an amount that is customary in the insurance industry for similarly situated apartment buildings.

**8.7** The provisions of this Section 8 and the rights of Tenant and Landlord hereunder are subject to the rights of each Permitted Leasehold Mortgagee under its Leasehold Mortgage, and any more stringent insurance or insurance-related requirements contained in such Leasehold Mortgage. In the event of any conflict or inconsistency between the terms of this Section 8 and the terms of any Leasehold Mortgage, the terms of the Leasehold Mortgage shall prevail (except that if any insurance coverage required under this Section 8 is more stringent than the comparable requirements in a Leasehold Mortgage, Tenant shall comply with the more stringent requirements of this Section 8). In addition, all provisions in this Section 8 requiring arbitration of disputes shall be deemed to apply solely to disputes between Landlord and Tenant, and nothing in this Section 8 shall require a Permitted Leasehold Mortgagee to arbitrate any insurance-related dispute, and all such disputes involving a Permitted Leasehold Mortgagee shall be resolved as provided in the applicable leasehold Mortgage.

#### **Section 9. Landlord's Right to Perform Tenant's Covenants**

**9.1** Subject to the rights of the Permitted Leasehold Mortgagees contained in Section 20 below, if Tenant at any time fails to pay any Tax in accordance with the provisions of this Lease or fails to make any other payment required under the Lease or perform any other act on its part to be made or performed, then Landlord, after 10 days' notice to Tenant (or without notice in case of an emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease or from any default by Tenant and without waiving Landlord's right to take such action as may be permissible under this Lease as a result of such default, may (but shall be under no obligation to): (a) pay any Tax payable by Tenant pursuant to the provisions of this Lease; or (b) make any other payment or perform any other act on Tenant's part to be made or performed as provided in this Lease, and may enter the Premises and the Apartment Buildings for any such purpose, and take all such action, as may be necessary.

**9.2** All sums so paid by Landlord and all costs and expenses incurred by Landlord, including reasonable attorney fees, in connection with the performance of any such act, together with, if Tenant does not pay the same within the 30-day period after notice from Landlord, interest from the date of such payment or incurrence by Landlord of such cost and expense until paid, at the annual rate of 10%, shall constitute additional rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

#### **Section 10. Compliance with Legal Requirements**

**10.1** Throughout the Term, Tenant shall promptly comply with all Legal Requirements that may apply to the Premises or to the use or manner of uses of the Premises or the Apartment Buildings or the owners or users of the Apartment Buildings, whether or not the Legal Requirements affect the interior or exterior of the Apartment Buildings, necessitate structural changes or Apartment Buildings, or interfere with the use and enjoyment of the Premises or the

Apartment Buildings, and whether or not compliance with the Legal Requirements is required by reason of any condition, event, or circumstance existing before or after the Term commences. Tenant shall pay all costs of compliance with Legal Requirements.

**10.2** Tenant shall have the right, after prior written notice to Landlord, to contest by appropriate legal proceedings, diligently conducted in good faith, in the name of Tenant or Landlord or both, without cost or expense to Landlord, the validity or application of any Legal Requirement subject to the following:

**10.2.1** If, by the terms of any Legal Requirement, compliance may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien, charge, or liability of any kind against all or any part of the Premises or the Apartment Buildings and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure to comply, Tenant may delay compliance until the final determination of such proceeding; or

**10.2.2** If any lien, charge, or civil liability would be incurred by reason of any such delay, Tenant nevertheless may contest the matter and delay compliance, provided that such delay would not subject Landlord to criminal liability or fine, and Tenant furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of such contest or delay, and prosecutes the contest with due diligence.

**10.3** Landlord shall execute and deliver any appropriate papers that may be necessary or proper to permit Tenant to contest the validity or application of any Legal Requirement, provided all the requirements of this section have been satisfied by Tenant and Landlord shall incur no cost.

## **Section 11. Repairs and Maintenance**

**11.1** Tenant shall maintain, repair, and replace the Premises and the Apartment Buildings as necessary to keep them in a clean and good condition, and in good repair throughout the entire Term. Tenant's obligations shall extend to both structural and nonstructural items and to all maintenance, repair, and replacement work.

**11.2** Landlord shall not be required to furnish to Tenant any facilities or services of any kind whatsoever during the Term, such as, but not limited to, water, steam heat, gas, hot water, electricity, light, and power. Landlord shall in no event be required to make any alterations, rebuildings, replacements, changes, additions, improvements, or repairs during the Term.

**11.3** Landlord assigns to Tenant, without recourse, such rights, if any, as Landlord may have against any parties causing damage to the Apartment Buildings on the Premises to sue for and recover amounts expended by Tenant as a result of such damage.

## **Section 12. Alterations and Additions**

**12.1** Provided that Tenant is not in default hereunder, Tenant shall have the right, at any time and from time to time during the Term, to make such interior changes and alterations to any of the interior components of the Apartment Buildings, if any, as Tenant shall deem

necessary or desirable, without the prior consent of Landlord, provided that such changes or alterations do not constitute structural alterations or hinder the ability of Tenant to perform its obligations under this Lease. All alterations shall be performed without cost to Landlord or encumbrance of the Landlord's interest in the Premises. All work done in connection with any such alterations shall be done in a good and workmanlike manner.

**12.2** After completion of initial construction of the Apartment Buildings the following conditions shall apply with regard to exterior alterations to the Apartment Buildings proposed to be made by Tenant:

12.2.1 Except for minor alterations that would cost less than \$50,000 to complete, all such alterations shall be subject to the prior approval of the Landlord, which approval shall not be unreasonably withheld or delayed.

12.2.2 All such exterior changes and alterations shall be performed without cost to Landlord or encumbrance of the Landlord's interest in the Premises. Landlord shall reasonably cooperate with Tenant, to the extent necessary, with regard to obtaining necessary permits for such changes, alterations, and new construction from the County including joining in the execution of applications for such construction permits or other authorizations whenever such actions are necessary.

12.2.3 Tenant shall give Landlord at least thirty (30) days' prior written notice before commencing such exterior alterations to the Apartment Buildings.

12.2.4 Any such exterior alteration shall be made within a reasonable time, in a good and workmanlike manner, and in compliance with all applicable permits, authorizations, building codes, and all other applicable laws, ordinances, rules, and regulations of any governmental authorities having jurisdiction.

### **Section 13. Signage**

Tenant may, at its cost and expense, erect exterior building signage on the Apartment Buildings provided that all exterior signage is approved by the applicable governmental authorities. All signs installed at the Premises by Tenant shall be maintained in good repair at Tenant's expense, and Tenant shall be responsible for the cost of all electricity consumed in illuminating the same.

### **Section 14. Title to Apartment Buildings**

During the Term of this Lease, title to the Apartment Buildings shall be in Tenant. Upon the expiration or termination of this Lease, title to the Apartment Buildings and fixtures then owned by Tenant and situated on the Premises automatically shall vest in Landlord free and clear of all claims to, or against them by Tenant or any third party. Tenant shall retain title to all furniture, furnishings, office machinery, equipment, and other items of personal property of a similar or dissimilar nature and Tenant may remove such items of property from the Premises upon expiration of the Term provided that Tenant repairs any damage that may be caused to the Apartment Buildings in connection with such removal. Any items of property not removed by

Tenant upon expiration or termination of the Term shall be deemed to have been abandoned by Tenant.

**Section 15. No Waste**

Tenant shall not do or suffer any waste or damage, disfigurement, or injury to the Premises or the Apartment Buildings.

**Section 16. Inspection and Access**

Tenant shall permit Landlord, any Permitted Leasehold Mortgagee, or the authorized representative of any of them to enter the Premises and the Apartment Buildings at all reasonable times during usual business hours for the purposes of inspecting the same and making any repairs or performing any work that Tenant has neglected or refused to make in accordance with the terms, covenants, and conditions of this Lease. Nothing in this Lease shall imply any duty or obligation on the part of Landlord to do any such work or to make any improvement of any kind whatsoever to the Premises (including, but not limited to, repairs and other restoration work made necessary due to any fire, other casualty, or partial condemnation, irrespective of the sufficiency or availability of any fire or other insurance proceeds, or any award in condemnation, which may be payable). The performance of any work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Except in the event of emergency repairs, all entry to the Premises by Landlord shall require at least 24 hours advance notice to Tenant. In the event of any emergency repairs, Landlord shall use reasonable efforts to give Tenant the earliest possible notice of same.

**Section 17. Exculpation and Indemnity**

**17.1** Tenant is and shall be in exclusive control of the Premises and of the Apartment Buildings, and Landlord shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in, or about the Premises or the Apartment Buildings or any injury or damage to the Premises or the Apartment Buildings or to any property, whether belonging to Tenant or to any other person, caused by any fire, breakage, leakage, defect, or bad condition in any part or portion of the Premises or of the Apartment Buildings, or from steam, gas, electricity, water, rain, or snow that may leak into, issue, or flow from any part of the Premises or the Apartment Buildings from the drains, pipes, or plumbing work of the same, or from the street, subsurface, or any place or quarter, or due to the use, misuse, or abuse of all or any of the Apartment Buildings or from any kind of injury that may arise from any other cause whatsoever on the Premises or in or on the Apartment Buildings, including defects in construction of the Apartment Buildings, latent or otherwise. Landlord acknowledges that it remains responsible for any liability to any third party to the extent such liability arises from Landlord's negligence or other misconduct and exceeds the limits of Tenant's contractual liability insurance coverage required under this Lease.

**17.2** Tenant shall indemnify and hold Landlord harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including

reasonable architect and attorney fees, that may be imposed on or incurred by or asserted against Landlord by reason of any of the following occurrences during the Term:

17.2.1 Any work or thing done in, on, or about all or any part of the Premises or the Apartment Buildings by Tenant or any party other than Landlord;

17.2.2 Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of all or any part of the Premises or the Apartment Buildings or any adjacent alley, sidewalk, curb, vault, passageway, or space;

17.2.3 Any negligence on the part of Tenant or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees;

17.2.4 Any accident, injury, or damage to any person or property occurring in, on, or about the Premises or the Apartment Buildings, even if caused in part by the negligence of Landlord, but only up to the limits of Tenant's liability insurance coverage with respect to any such negligence of Landlord; or

17.2.5 Any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions, or limitations contained in this Lease on its part to be performed or complied with.

17.3 In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant on written notice from Landlord shall, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Landlord in writing, which approval shall not be unreasonably withheld.

## **Section 18. Condemnation**

18.1 If all the Premises and the Apartment Buildings are taken or condemned, by right of eminent domain or by purchase in lieu of condemnation, or if such portion of the Premises or the Apartment Buildings shall be so taken or condemned that the portion remaining is not sufficient and suitable, in Tenant's sole judgment (subject, however, to any rights of any Permitted Leasehold Mortgagee), to permit the restoration of the Apartment Buildings following such taking or condemnation, then this Lease and the Lease Term, at Tenant's option, shall cease and terminate as of the date on which the condemning authority takes possession (any such taking or condemnation of the Premises or Apartment Buildings as described in this section being called a "**Total Taking**"), and the Rent shall be apportioned and paid to the date of such Total Taking.

18.2 If this Lease expires and terminates as a result of a Total Taking, the rights and interests of the parties shall be determined as follows:

18.2.1 The total award or awards for the Total Taking shall be apportioned and paid in the following order of priority:



18.2.1.1 Landlord shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, that portion of the award which is defined and referred to as the "**Land Award**," and neither Tenant nor any Permitted Leasehold Mortgagee shall be entitled to receive any part of the Land Award. The term Land Award shall mean that portion of the award in condemnation or change of grade proceedings that represents the fair market value of the Premises, considered as vacant, unimproved and unencumbered by this Lease, the consequential damage to any part of the Premises that may not be taken, the diminution of the assemblage or plottage value of the Premises not so taken and all other elements and factors of damage to the Premises.

18.2.1.2 Tenant shall have the right to and shall be entitled to receive directly from the condemning authority subject, however, to the rights of the Permitted Leasehold Mortgagees, that portion of the award referred to as the "**Leasehold Award**." The term Leasehold Award shall mean that portion of the award in condemnation proceedings that represents the fair market value of Tenant's interest in the Apartment Buildings and the fair market value of Tenant's leasehold estate as so taken and, provided this Lease is not terminated as a result of such condemnation or taking, the consequential damages to any part of the Apartment Buildings.

18.2.1.3 It is the intent of the parties that the Land Award and Leasehold Award shall equal the total amount of the awards respecting a total taking.

18.2.2 If the court or such other lawful authority as may be authorized to fix and determine the awards fails to fix and determine, separately and apart, the Land Award and the Leasehold Award, such awards shall be determined and fixed by written agreement mutually entered into by and among Landlord, Tenant, and First Leasehold Mortgagee, if any, and if an agreement is not reached within twenty (20) days after the judgment or decree is entered in the proceedings, the controversy shall be resolved in the same court as the condemnation action is brought, in such proceedings as may be appropriate for adjudicating the controversy.

**18.3** If, during the Term, there is a taking or condemnation of the Premises or the Apartment Buildings that is not a total taking and not a temporary taking of the kind described below, or in the event of the change in the grade of the streets or avenues on which the Premises abuts, this Lease and the Lease Term shall not cease or terminate but shall remain in full force and effect with respect to the portion of the Premises and of the Apartment Buildings not taken or condemned (any such taking or condemnation or change of grade of the kind described in this section being referred to as a "**Partial Taking**"), and in such event, the total award or awards for the taking shall be apportioned and paid in the following order of priority:

18.3.1 Landlord shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, that portion of the award that equals the Land Award, and neither Tenant nor any Permitted Leasehold Mortgagee shall be entitled to receive any part of the Land Award; and

18.3.2 If at the time of such taking there is a First Leasehold Mortgage held by a Lending Institution, then such Lending Institution, or, if there is no such First Leasehold



Mortgage, then Tenant shall have the right to and shall be entitled to receive directly from the condemning authority the balance of the award, to be applied by the recipient as it shall deem appropriate

**18.4** In the event of a taking of all or a part of the Premises or the Apartment Buildings for temporary use, this Lease shall continue without change, as between Landlord and Tenant, and Tenant shall be entitled to the entire award made for such use (subject to any rights of any Permitted Leasehold Mortgagee); provided that Tenant shall be entitled to file and prosecute any claim against the condemning authority for damages and to recover the same, for any negligent use, waste, or injury to the Premises or the Apartment Buildings throughout the balance of the then current Lease Term. The amount of damages so recovered shall belong to Tenant, subject to any rights of any Permitted Leasehold Mortgagee.

**18.5** In the event of any dispute between Tenant and Landlord with respect to any issue of fact arising out of a taking mentioned in this section, such dispute shall be resolved by the same court in which the condemnation action is brought, in such proceedings as may be appropriate for adjudicating the dispute.

#### **Section 19. Assignment and Subletting**

**19.1** Tenant shall not assign or sublet the entirety of the Premises without the prior written consent of Landlord, which consent may not be unreasonably withheld. Landlord agrees in advance to Tenant's assignment of its rights in this Lease to Cascadia Housing, Inc. ("*Cascadia*"), or a limited liability company controlled by Cascadia, after the completion of the compliance period as provided in IRC Section 42(i)(2). Any assignment or subletting shall be subject to all of the terms and provisions of this Lease, and Tenant shall remain fully liable and responsible for all rent and other Tenant obligations and covenants hereunder notwithstanding any assignment or subletting, unless released from such liabilities pursuant to the express term hereof.

#### **Section 20. Leasehold Mortgages**

**20.1** Tenant shall have the right, in addition to any other rights granted, with the Landlord's consent, which shall not be unreasonably withheld, to mortgage or grant a security interest in Tenant's interest in this Lease and the Premises and the Apartment Buildings and any subleases, under one or more leasehold mortgages or pursuant to a sale-leaseback financing arrangement to one or more Lending Institutions, as defined below in this Section, and/or under one or more purchase money leasehold mortgages, and to assign this Lease and any subleases and consent to the lien of a Deed of Trust on Tenant's leasehold interest hereunder as collateral security for such leasehold mortgages or pursuant to the sale-leaseback financing arrangement, on the condition that all rights acquired under such leasehold mortgages or pursuant to the sale-leaseback financing arrangement shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Lease and to all rights and interests of Landlord, none of which covenants, conditions, restrictions, rights, or interests is or shall be waived by Landlord by reason of the right given to mortgage or grant a security interest in Tenant's interest in this Lease and the Premises and the Apartment Buildings, except as expressly provided otherwise.

**20.2** Any mortgage or sale-leaseback financing arrangement made pursuant to this section is referred to as a "**Permitted Leasehold Mortgage**," and the holder of or secured party under a Permitted Leasehold Mortgage is referred to as a "**Permitted Leasehold Mortgagee**." The Permitted Leasehold Mortgage that is prior in lien or interest among those in effect is referred to as the "**First Leasehold Mortgage**," and the holder of or secured party under the First Leasehold Mortgage is referred to as the "**First Leasehold Mortgagee**." For the purposes of any rights created under this section, any so-called wraparound lender shall be considered a First Leasehold Mortgagee. If a First Leasehold Mortgage and a Permitted Leasehold Mortgage that is second in priority in lien or interest among those in effect are both held by the same Permitted Leasehold Mortgagee, the two Permitted Leasehold Mortgages are collectively referred to as the "**First Leasehold Mortgage**." A "**Permitted Leasehold Mortgage**" includes, without limitation, mortgages and trust deeds as well as financing statements, security agreements, sale-leaseback instrumentation, and other documentation that the lender may require. The words Lending Institution, as used in this Lease, mean any commercial, national, or savings bank, savings and loan association, trust company, pension trust, foundation, or insurance company, and any other entity, person, corporation, partnership, or otherwise making a loan on the security of Tenant's interest in this Lease or all or any part of the Improvements.

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

20.3.1 Except as expressly provided otherwise below, there shall be no cancellation, termination, surrender, acceptance of surrender, amendment, or modification of this Lease without in each case the prior consent in writing of the Permitted Leasehold Mortgagee. Nor shall any merger result from the acquisition by, or devolution upon, any one entity of the fee and the leasehold estates in the Premises.

20.3.2 Landlord shall, upon serving Tenant with any notice, whether of default or any other matter, simultaneously serve a copy of such notice on the Permitted Leasehold Mortgagee and Limited Partner, and no such notice to Tenant shall be deemed given unless a copy is so served on the Permitted Leasehold Mortgagee and Limited Partner in the manner provided in this Lease for giving notices.

20.3.3 In the event of any default by Tenant under this Lease, each Permitted Leasehold Mortgagee has the same period as Tenant has, plus 30 days, after service of notice on it of such default, to remedy or cause to be remedied or commence to remedy and complete the remedy of the default complained of for such default, and Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Each notice of default given by Landlord will state the amounts of whatever Rent are then claimed to be in default.

20.3.4 If Landlord elects to terminate this Lease by reason of any default of Tenant, the Permitted Leasehold Mortgagee, in addition to the rights granted under the preceding section, shall also have the right to postpone and extend the specified date for the termination of this Lease as fixed by Landlord in its notice of termination, for a period of six months, provided that the Permitted Leasehold Mortgagee shall cure or cause to be cured any then-existing defaults, provided further that the Permitted Leasehold Mortgagee shall for such period comply with all of the terms of this Lease, and provided further that the Permitted Leasehold Mortgagee shall forthwith take steps to acquire or sell Tenant's interest in this Lease by foreclosure of the Permitted Leasehold Mortgage or otherwise and shall prosecute the same to completion with all due diligence. If, at the end of the six-month period, the Permitted Leasehold Mortgagee is actively engaged in steps to acquire or sell Tenant's interest and if the Permitted Leasehold Mortgagee has at all times during such period complied with all terms of this Lease, then, so long as the Permitted Leasehold Mortgagee is in compliance with the terms of this lease, the time of the Permitted Leasehold Mortgagee to comply with the provisions of this Section 20 shall be extended for such period as is reasonably necessary to complete such steps with reasonable diligence and continuity.

20.3.5 Landlord agrees that the name of the Permitted Leasehold Mortgagee may be added to the "**Loss Payable Endorsement**" of any and all insurance policies required to be carried by Tenant or Landlord.

20.3.6 Landlord agrees that in the event of termination of this Lease by reason of any default by Tenant, Landlord will enter into a new lease of the Premises with the Permitted Leasehold Mortgagee or its nominee ("New Tenant"), for the remainder of the Term, effective on the date of such termination, at the Rent and on the terms, provisions, covenants, and agreements contained in this Lease and subject only to the same conditions of title as this Lease is subject to on the date this Lease is executed, and to the rights, if any, of any parties then in possession of any part of the Premises, provided:

20.3.6.1 The Permitted Leasehold Mortgagee or its nominee shall make written request on Landlord for such new lease within 15 days after the date of termination indicated in the notice of termination given to Permitted Leasehold Mortgagee and such written request shall be accompanied by payment to Landlord of Rent then due to Landlord under this Lease.

20.3.6.2 The Permitted Leasehold Mortgagee or its nominee shall pay to Landlord, at the time the new lease is executed and delivered, any and all Rent that would be due at the time of the execution and delivery of the new lease pursuant to this Lease but for such termination, and in addition any expenses, including reasonable attorney fees, to which Landlord shall have been subjected by reason of such default.

20.3.6.3 The Permitted Leasehold Mortgagee or its nominee shall perform and observe all covenants contained in this Lease on Tenant's part to be performed, except for the covenants set forth in Section 4.5 and Section 5 (and the term "Apartment Buildings" shall be deemed to no longer include any reference to or concept of "Qualified Tenants"), and further shall remedy any other conditions that Tenant under the terminated Lease

was obligated to perform; and on execution and delivery of such new lease, any subleases that may have been assigned and transferred previously by Tenant to Landlord, as security under this Lease, shall then be held by Landlord as security for the performance of all the obligations of Tenant under the new lease.

20.3.6.4 Landlord shall not warrant or make representations regarding possession of the Premises or the Apartment Buildings to New Tenant under the new lease due to existing possession rights of Qualified Tenants.

20.3.6.5 Such new lease shall be expressly made subject to the rights, if any, of Tenant under the terminated Lease.

20.3.6.6 New Tenant under such new lease shall have the same right, title, and interest in and to the Improvements on the Premises as Tenant had under the terminated Lease.

20.3.7 Nothing contained in this Lease requires the Permitted Leasehold Mortgagee or its nominee to cure any default that occurs as a result of the status of Tenant, such as Tenant's bankruptcy or insolvency, or to discharge any lien, charge, or encumbrance against Tenant's interest in this Lease junior in priority to the line of the Permitted Leasehold Mortgage.

20.3.8 Landlord agrees to amend this Lease from time to time to the extent reasonably requested by a Lending Institution proposing to make Tenant a loan secured by a Permitted Leasehold Mortgage, provided that such proposed amendments do not materially and adversely affect the right of Landlord, Landlord's interest in the Premises or the rights or interests of the Qualified Tenants. All reasonable expenses incurred by Landlord in connection with any such amendment shall be paid by Tenant.

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

20.3.10 Any award or payment in condemnation or eminent domain in respect of the Premises or Improvements shall be paid to the First Leasehold Mortgagee for the benefit of the parties and applied in the manner specified in this Lease.

20.3.11 No fire or casualty loss claims shall be settled and no agreement will be made in respect of any award or payment in condemnation or eminent domain without in each case the prior written consent of the First Leasehold Mortgagee.

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

20.3.13 Landlord, within 10 days after a request in writing by Tenant or any Permitted Leasehold Mortgagee, shall furnish a written statement, duly acknowledged, that this Lease is in full force and effect and unamended, or if there are any amendments, such statement will specify the amendments, and that there are no defaults by Tenant that are known to Landlord, or if there are any known defaults, such statement shall specify the defaults Landlord claims exist.

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

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

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

20.3.17 If Tenant is declared bankrupt or insolvent and this Lease is thereafter lawfully canceled or rejected, Landlord shall immediately execute a new lease under the same terms and conditions as this Lease to the Permitted Leasehold Mortgagee or its nominee, (except that the new lease shall exclude the covenants in Section 4.5 and Section 5, and the term "Apartment Buildings" shall be deemed to no longer include any reference to or concept of Qualified Tenants), provided that all defaults under this Lease except the bankruptcy or insolvency of Tenant be cured by the Permitted Leasehold Mortgagee or its nominee.

20.3.18 If Landlord declares bankruptcy and Landlord's bankruptcy trustee rejects this Lease when there is a Leasehold Mortgagee, Tenant's right to elect to terminate this Lease or to retain its rights pursuant to § 365(h)(1) of the Bankruptcy Code shall be exercised by the Leasehold Mortgagee.

20.3.19 Landlord hereby acknowledges that Bank of America, N. A., a national banking association ("BOA"), will likely become the First Leasehold Mortgagee as the construction lender of the Apartment Buildings and that the Network for Oregon Affordable Housing, an Oregon nonprofit public benefit corporation ("NOAH"), will likely thereafter become the First Leasehold Mortgagee as the permanent lender of the Apartment Buildings and that, if BOA and NOAH become the First Leasehold Mortgagee, then all the provisions of Section 20.3 shall automatically apply to BOA and NOAH and to BOA's and NOAH's leasehold

mortgage without further action of BOA and/or NOAH. BOA's and NOAH's addresses for notice purposes are as set forth in Section 31.1 below.

## **Section 21. Default; Remedies**

**21.1** The occurrence of any one or more of the following events of default constitutes a breach of this Lease by Tenant:

If Tenant defaults in the payment of Rent due and payable by Tenant, and such default continues for 180 days after Landlord has given Tenant a notice specifying the same and notice has also been sent to Limited Partner, Bank of America N.A., and any Permitted Leasehold Mortgagee; or

21.1.1 If Tenant, whether by action or inaction, is in default of any of its obligations under this Lease (other than a default in the payment of Rent by Tenant) and such default continues and is not remedied within 180 days after Landlord has given Tenant a notice specifying the same, or, in the case of a default that can be cured but not within a period of 180 days, if Tenant has not (1) commenced curing such default within such 180-day period; (2) notified Landlord of Tenant's intention to cure the default; or (3) continuously and diligently completed the cure of the default; or

21.1.2 The occurrence of any of the following events: An assignment by Tenant for the benefit of creditors, the filing by Tenant of a voluntary petition in bankruptcy, an adjudication that Tenant is bankrupt, the appointment of a receiver of the properties of Tenant, the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within 30 days after filing, or the attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within 90 days. If Tenant consists of two or more individuals or business entities, the events of default specified in this Section shall apply to each individual unless within 30 days after an event of default occurs, the remaining individuals produce evidence satisfactory to Landlord that they have unconditionally acquired the interest of the one causing the default. If the lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Tenant under the lease.

**21.2** Notwithstanding any other provision herein, upon the occurrence of an event of default, Limited Partner shall have the right to cure any default of Tenant's obligations under this Lease.

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

21.3.1 Landlord or Landlord's agents and employees may immediately or at any time thereafter reenter the Premises either by summary eviction proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution, or damages, and may repossess the same, and may remove any person from the Premises, to the end that Landlord may have, hold, and enjoy the Premises.

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

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

21.3.4 To the extent permitted under Oregon law, Landlord may sue periodically for damages as they accrue without barring a later action for further damages.

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

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

## **Section 22. No Abatement of Rent**

**22.1** Except as otherwise specifically provided in this Lease, no abatement, refund, diminution, or reduction of Rent or other compensation shall be claimed by or allowed to Tenant, or any person claiming under it, under any circumstances, whether for inconvenience, discomfort, interruption of business, or otherwise, arising from work on Apartment Buildings, by



virtue or because of Legal Requirements, or the occurrence of any matters referred to in Section 8 (casualty damage) and Section 18 (condemnation) of this Lease, or for any other reason, cause, or occurrence.

**22.2** Unless caused by Landlord, if any adjoining building or structure encroaches on the Premises, no claim, demand, or objection of any kind shall be made by Tenant against Landlord by reason of such encroachments; no claim for abatement of Rent due under this Lease shall be made by reason of such encroachments or acts of, or in connection with, removal of the encroachments. The rights, liabilities, and obligations of the parties shall be the same as if there were no encroachments. In any related legal proceedings, the Premises may properly and without prejudice be described according to the description previously used without reference to any such encroachments. Landlord agrees to cooperate with Tenant in any proceedings sought by Tenant to remove such encroachments, provided such cooperation does not cause Landlord to incur any expense.

### **Section 23. Transfer of Interest by Landlord**

For so long as this Lease (or a new lease executed with a Permitted Leasehold Mortgagee or its nominee under Section 20.3.6 or 20.3.17) is in effect, Landlord may not sell, exchange, assign, transfer, convey, contribute, distribute, or otherwise dispose of all or any part of its interest (called "**Landlord's Interest**") in the Premises or this Lease (including but not limited to Landlord's reversion), nor may Landlord sell, exchange, assign, transfer, convey, contribute, distribute, or otherwise dispose of all or any part of Landlord's Interest in Landlord's real property adjacent to the Premises, which real property, together with the Premises, comprise a single tax lot for real estate taxation purposes.

### **Section 24. Nonmerger**

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

### **Section 25. Quiet Enjoyment**

Tenant, on paying the Rent and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the Term without hindrance or molestation by anyone claiming by, through, or under Landlord as such, subject, however, to the exceptions, reservations, and conditions of this Lease.

### **Section 26. Surrender**



Tenant, on the last day of the Term, shall surrender and deliver up the Premises and Apartment Buildings to the possession and use of Landlord without fraud or delay, free and clear of all lettings and occupancies other than subleases then terminable at the option of Landlord or subleases to which Landlord shall have specifically consented, and free and clear of all liens and encumbrances other than those, if any, presently existing or created or suffered by Landlord, without any payment or allowance whatever by Landlord on account of the Apartment Buildings on the Premises. Upon expiration of the Term, Tenant shall surrender to Landlord all reserves required by Section 5.2.8, and all tenant security deposits relating to the Apartment Buildings.

#### **Section 27. Invalidity of Particular Provisions**

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

#### **Section 28. Representations**

Tenant acknowledges that it has examined the Premises and has been allowed to make tests and inspections of the Premises and that no representations as to the condition of the Premises have been made by Landlord or any agent or person acting for Landlord (except as expressly provided in this Lease). Landlord shall have no liability because of, or as a result of, the existence of any subsurface or soil condition, either on the Premises or on adjacent land, that might affect Tenant's construction of the Apartment Buildings.

#### **Section 29. Estoppel Certificate**

Either party, within 15 days after a request from time to time made by the other party and without charge, shall give a certification in writing to any person, firm, or corporation reasonably specified by the requesting party stating (1) that this Lease is then in full force and effect and unmodified, or if modified, stating the modifications; (2) that Tenant is not in default in the payment of Rent to Landlord, or if in default, stating such default; (3) that as far as the maker of the certificate knows, neither party is in default in the performance or observance of any other covenant or condition to be performed or observed under this Lease, or if either party is in default, stating such default; (4) that as far as the maker (if Landlord) of the certificate knows, no event has occurred that authorized, or with the lapse of time will authorize, Tenant to terminate this Lease, or if such event has occurred, stating such event; (5) that as far as the maker of the certificate knows, neither party has any offsets, counterclaims, or defenses, or, if so, stating them; (6) the dates to which Rent have been paid; and (7) any other matters that may be reasonably requested by the requesting party.

#### **Section 30. Force Majeure**

If the performance by either of the parties of their respective obligations under this Lease (excluding monetary obligations) is delayed or prevented in whole or in part by any acts of God,

fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortage or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within the party's control, (and not attributable to an act or omission of the party), whether or not specifically mentioned, the party shall be excused, discharged, and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited or prevented by such occurrence without liability of any kind. It is the purpose and intent of this provision that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the party whose performance is delayed shall be extended for the period of the delay; provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the party becomes aware of or reasonably should have become aware of the causes of any such unavoidable delay, have first notified the other party thereof in writing of the cause or causes thereof and the estimated time of correction. Any action or failure to act by a party pursuant to this Lease that is not due to unavoidable delay shall not excuse the performance hereunder by that party.

**Section 31. Notices**

**31.1** Any notice required or permitted by the terms of this Lease shall be deemed given if delivered personally to an officer of the party to be notified or sent by United States registered or certified mail, postage prepaid, return-receipt requested, and addressed as follows:

If to Tenant:

Mid-Co Apartments Limited Partnership  
c/o Cascadia Housing, Inc.  
2130 S.W. 5<sup>th</sup> Avenue  
Suite 210  
Portland, Oregon 97201

With a copy to The Banc of America Housing Fund IVA Limited Partnership, LLLP

Mid-Co Apartments Limited Partnership  
c/o The Enterprise Social Investment Corporation  
10227 Wincopin Circle, Suite 810  
Columbia, Maryland 21044

and to Bank of America, N.A.,

Bank of America N.A.  
OR1-129-07-50  
121 SW Morrison, 7th Floor  
Portland, OR 97204

If to Landlord:

Multnomah County  
Facilities and Property Management  
401 N. Dixon Street

Portland, Oregon 97227

If to NOAH: Network for Oregon Affordable Housing  
1020 SW Taylor, Suite 585  
Portland, OR 97205  
Attn: Executive Director

or such other addresses as may be designated by either party by written notice to the other.

**31.2** A copy of each notice from Landlord to Tenant shall be contemporaneously delivered to each Permitted Leasehold Mortgagee which shall have previously delivered to Landlord, by registered or certified mail, return receipt requested, addressed as provided above in this section, its name and the mailing address to which communications under this section are to be delivered. Notice to Tenant shall not be effective until a duplicate notice is given to each Permitted Leasehold Mortgagee that is entitled to notice in the manner provided in Section 31.1. Landlord hereby acknowledges that BOA and NOAH have provided their respective notice addresses to Landlord, as set forth in Section 31.1, in compliance with the requirements of this Section.

**31.3** Tenant shall immediately send to Landlord, in the manner prescribed above for giving notice, copies of all notices given by it to any Permitted Leasehold Mortgagee or received by it from such Permitted Leasehold Mortgagee, and copies of all notices that it receives with respect to the Premises or Apartment Buildings from any government authorities, fire regulatory agencies, and similarly constituted bodies, and copies of its responses to such notices

**31.4** Notwithstanding anything in this section to the contrary, any notice mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this section shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or the failure or refusal of such person or party to accept delivery of the notice.

## **Section 32. Mediation and Arbitration**

**32.1** In the event a dispute arises concerning this agreement, Landlord and Tenant agree that the dispute shall initially be submitted to mediation. The mediator will be selected by mutual agreement, and will be compensated equally by both parties. If the parties fail to agree on a mediator within ten days of notice by either party of a request for mediation, a mediator shall be appointed by the presiding judge of the Multnomah County Circuit Court upon the request of either party.

**32.2** Except with respect to pending litigation, Landlord or Tenant may at any time request final and binding arbitration of any matter remaining in dispute after mediation. The term *pending litigation* as used in the preceding sentence means litigation that has continued for more than 60 days after the first legal process has been served on a party to this agreement by the other party without any request for arbitration by the party served. Any party who fails to submit to binding arbitration following a lawful demand by the other party shall bear all costs and

expenses, including reasonable attorney fees (including those incurred in any trial, bankruptcy proceeding, appeal, or review) incurred by the other party in obtaining a stay of any pending judicial proceeding concerning a dispute that, by the terms of this Lease, has been properly submitted to mandatory arbitration and/or compelling arbitration of any dispute. A party may request arbitration by giving notice to that effect to the other party, specifying in the notice the nature of the dispute. The dispute shall be determined in the city of Portland, Oregon, by a single arbitrator for matters up to \$100,000, and by three arbitrators for any dispute in excess of that amount, in accordance with the rules of the Multnomah County Circuit Court Arbitration Program, except to the extent provided otherwise under Oregon laws on arbitration and as otherwise provided herein. If such program is terminated, then the rules of American Arbitration Association shall be used. All arbitrators shall be licensed attorneys having at least 10 years' experience with commercial ground-leasing transactions. Each party shall submit its position to the arbitrator or arbitrators and the arbitrator or arbitrators, shall only have jurisdiction to choose the entire position of one of the parties as the prevailing position. On the application of either party, the award in the arbitration may be enforced by the order of judgment of a court of competent jurisdiction.

**32.3** The fees and expenses of any arbitration shall be borne by the losing party.

**32.4** The arbitrator or arbitrators shall resolve all disputes in accordance with the substantive law of the state of Oregon. The arbitrator or arbitrators shall have no authority or jurisdiction to award any damages or any other remedies beyond those that could have been awarded in a court of law had the parties litigated the claims instead of arbitrating them. The parties shall not assert any claim for punitive damages except to the extent such awards are specifically authorized by statute. The Federal Arbitration Act, 9 USC §§1-16, applies to this Lease transaction and shall be controlling in any judicial proceedings and in the arbitration itself for issues of arbitrability and procedure. No provision of, nor the exercise of any rights under, this arbitration section of the Lease shall limit the right of Landlord to evict Tenant, to exercise self-help remedies, or to obtain provisional or ancillary remedies such as an injunction, receivership, attachment, or garnishment.

**32.5** The parties shall use their best efforts to complete any arbitration within 60 days of the filing of the dispute, unless the dispute is regarding the refusal to grant a consent or approval, in which case the time period shall be 30 days. The arbitrator or arbitrators shall be empowered to impose sanctions for any party's failure to do use best efforts. These arbitration provisions shall survive any termination, amendment, or expiration of the Lease unless the parties otherwise expressly agree in writing. Each party agrees to keep all disputes and arbitration proceedings strictly confidential, except for the disclosure of information required in the ordinary course of business of the parties or as required by applicable law or regulation. Any time limitation (such as the statute of limitations or laches) that would bar litigation of a claim shall also bar arbitration of the claim. If any provision of this arbitration program is declared invalid by any court, the remaining provisions shall not be affected thereby and shall remain fully enforceable. The parties understand that they have decided that, on demand of either of them, their disputes as described herein shall be resolved by arbitration rather than in a court, and once so decided cannot later be brought, filed, or pursued in court.

**Section 33. Entire Agreement**

This Lease and the Grant Agreement, dated November 27, 2002 between Cascadia Housing, Inc. and Multnomah County, contain the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Tenant and Landlord that there are no verbal agreements, representations, warranties, or other understandings affecting this Lease.

**Section 34. Applicable Law**

This Lease shall be governed by, and construed in accordance with, the laws of the state of Oregon.

**Section 35. Brokerage**

Landlord and Tenant represent to each other that they have not employed any brokers in negotiating and consummating the transaction set forth in this Lease, but have negotiated directly with each other.

**Section 36. No Partnership**

Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture between Landlord and Tenant, it being expressly understood and agreed that neither the computation of rent nor any other provision contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

**Section 37. Authority and Status**

The persons executing this Lease on behalf of Tenant and Landlord covenant and warrant to the other parties that (a) they are duly authorized to execute this Lease on behalf of the party for whom they are acting, and (b) the execution of this Lease has been duly authorized by the party for whom they are acting. Tenant warrants and covenants that, for the Lease Term, it is and shall be an Oregon public benefit corporation exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Landlord warrants and covenants that, for the Lease Term, it is and shall be a body public and corporate under the laws of Oregon.

**Section 38. Time is of the Essence**

Time is of the essence with respect to the performance of each of the terms, provisions, covenants and conditions of this Lease.

**Section 39. Binding Effect; Captions**

The covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant, its successors and assigns. The captions of this Lease are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Lease or in any way affect this Lease.

**Section 40. Recordation of Lease**

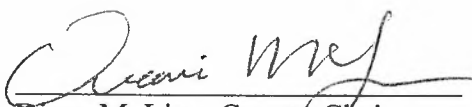
Tenant may elect that a copy of this Lease or a memorandum, executed and acknowledged by both parties, be recorded in the public records of Multnomah County, Oregon. Tenant shall pay the recording costs.

**Section 41. Statutory Disclosure**

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM AND FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

**LANDLORD:**

Multnomah County

By:   
Diane M. Linn, County Chair

Date: 12.5.03

**TENANT:**

Mid-Co Apartments Limited Partnership

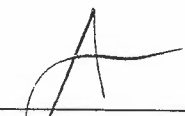
By: Cascadia Housing, Inc., its general partner

By: \_\_\_\_\_  
Neal Beroz, President

Date: \_\_\_\_\_

**REVIEWED:**

Agnes Sowle, County Attorney for  
Multnomah County, Oregon

By:   
John S. Thomas  
Assistant County Attorney

APPROVED : MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS

AGENDA # R-7 DATE 12-04-03  
DEBORAH L. BOGSTAD, BOARD CLERK

## EXHIBIT A – PREMISES DESCRIPTION

### Legal Description

A tract of land being a portion of that property conveyed to Multnomah County, by Deed on June 01, 1989 as described in Book 2215, Page 1903, Deed Records, Multnomah County, situated in the Northwest ¼ of Section 11, Township 1 South, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, Oregon, and more particularly described as follows:

Commencing at the 4-1/4" brass disc in monument box marking the Northwest Corner of said Section 11;

Thence along the North line of Section 11 South 89°38'39" East 1319.35 feet;

Thence South 00°00'56" West 750.81 feet to the **True Point of Beginning** of the tract herein described;

Thence South 89°46'32" East 132.00 feet to a point on the East line of that property described in Book 2215, Page 1903;

Thence along the East line of said property South 00°02'26" West 564.93 feet;

Thence North 89°44'21" West 132.25 feet to a point on the West line of Book 2215, Page 1903;

Thence along the West line of said Book and Page, North 00°00'56" East 564.23 feet to the **Point of Beginning** of the tract herein described, containing 1.71 acres.