Emerald Village Eugene

—REAL PROPERTY LEASE—

PARTIES:

SQUAREONE VILLAGES, an Oregon nonprofit corporation ("SOV")

EMERALD VILLAGE EUGENE, an Oregon cooperative corporation ("EVE")

RECITALS:

SOV is an Oregon nonprofit corporation with a mission focused on providing low-cost, residential housing for those with low incomes in need of stable housing. SOV has developed a "tiny house" village on the property at 25 N. Polk St., is legally described on Exhibit A (the "Property"). The Property includes houses, community structures, infrastructure, sidewalks, landscaping and other items appropriate for residential use. EVE is a housing cooperative with a goal of providing low-cost, residential housing with affordable carrying charges while also providing community and opportunities for its members. Because of the compatibility of the missions and goals of SOV and EVE, SOV desires to lease most of the Property from SOV to provide affordable housing for its members, and both SOV and EVE are willing to do so on the terms and conditions below.

AGREEMENTS:

1. PREMISES. SOV hereby leases to EVE the Property, including the improvements thereon, that is used for housing, open space and community areas ("Premises"). The Premises includes all of the Property except for two parking spaces as generally shown in Exhibit B.

2. TERM. This lease shall run for a period of 5 years commencing on January 1, 2022 and terminating at 12 midnight on December 31, 2026, for purposes of renegotiation in good faith in relation to shared missions of SOV and EVE. Thereafter, the lease will be renegotiated based on our experience.

3. LEASE FEE:

3.1. LEASE FEE: EVE shall pay a monthly lease fee of **$3,967.00** for the first 13 months of this lease. Lease Fees are due in advance on the 10th day of each calendar month during the term of this lease. For the term of this lease, EVE shall pay a prorated lease fee based on the number of total units that have received a final occupancy permit, according to the fees defined in Exhibit C.

3.2. ANNUAL LEASE FEE ADJUSTMENT: Commencing with February 1, 2023, the monthly lease fee will be increased by the same percentage as the increase of the national Consumer Price Index as calculated for the previous calendar year by the U.S. Bureau of Labor Statistics. Every year thereafter on February 1st, the monthly rent will be increased by the same amount as the national Consumer Price Index.

3.3. ASSIGNED PARKING DEDUCTION: In its sole discretion, SOV may deduct from the monthly lease fee $25 per unassigned parking space in any month that EVE has less than 11 members charged for assigned parking on the property

3.4. ADDITIONAL CHARGES: EVE's share of utilities and taxes under this lease and other charges that EVE is required to pay SOV under this lease, and all other sums that EVE is required by this Lease to pay to any third party shall be covered in the lease fees as defined in Exhibit C. There will be no additional lease fees related to this lease agreement if not defined in Exhibit C or stipulated elsewhere in this agreement.

4. PURPOSE. EVE shall use and occupy the Premises for affordable housing and a residential community, with associated related uses, and for no other purpose or purposes without SOV's written consent, which written consent may be given or withheld in SOV's sole and absolute discretion.

5. OBLIGATIONS OF EVE. In order to ensure the alignment of the missions and goals of SOV and EVE to provide affordable housing, and to preserve and protect the Property, EVE shall comply with each of the following obligations at all times. In the event that EVE breaches or threatens to breach any of the following, SOV may seek any and all equitable remedies, including specific performance, injunction or otherwise, without bond or undertaking, to ensure compliance with the following, it being agreed that monetary damages would never fully compensate SOV for any breach.

5.1. EVE shall maintain covenants in its Proprietary Leases and/or other appropriate documents to keep units affordable to people earning very low-incomes (under 50% of the area median income), where affordable means housing costs do not exceed 30% of 50% of the area median income.

5.2. EVE may not amend, restate, revise or terminate its Articles of Incorporation, Bylaws, Proprietary Leases or Membership Agreement without the SOV's prior written consent, which consent will not be unreasonably withheld. EVE and SOV agree that it would be reasonable for SOV to withhold its consent in any situation where SOV is reasonably concerned that an amendment, restatement, revision or termination would (a) diminish the ability of EVE or SOV to provide affordable housing at the Property; (b) would have detrimental impacts on the current or future residents of the Property health, safety or well-being; (c) would create additional burdens on the Property that were not anticipated in the original design and development; or (d) that require physical alteration of the Property.

5.3. EVE shall not merge, convert into another form of business entity, dissolve or sell or convey substantially all of its assets, without the prior written consent of the other party to this agreement.

5.4. EVE shall enforce its Articles of Incorporation, Bylaws, Proprietary Leases, Membership Agreement, community rules and other rules and regulations, taking into account the circumstances of any violation and the resources of EVE. SOV is a third-party beneficiary of EVE's Articles of Incorporation, Bylaws, Proprietary Leases,

Membership Agreement, community rules and other rules and regulations and shall have the right to enforce any of the same but SOV (a) does not have any obligation to enforce any of the same; (b) does not have any liability for failing to enforce any of the same; and (c) does not by this section assume any obligation or liability associated with the same.

5.5. EVE and SOV will not discriminate against members based on race, color, religion, sex, sexual orientation, national origin, marital status, familial status, source of income, or disability, or any other status that is or becomes a protected status under ORS 659A.421.

5.6. EVE shall, on at least an annual basis, issue an official notice to all its members that all lofts in the residential units leased to EVE have been permitted by the City of Eugene for storage purposes only. EVE shall also ensure that all New Members accepted to EVE are informed that all lofts in the units leased to EVE have been permitted by the City of Eugene for storage purposes only.

6. RESTRICTIONS.

6.1. LIMITATIONS ON USE. EVE will not use the Premises in any manner that will increase the rating or cost of fire insurance upon the Premises from the rate in force as at the date of the commencement of the term of this lease; or in any other manner which would deface or injure the Premises or the real property upon which the Premises is located. EVE shall not permit any objectionable noise or odor to escape from or be emitted from the Premises, or permit any use or activity upon the Premises tending to create a nuisance or disturb any other member resident of the real property upon which the Premises is located. EVE shall not impose floor loads upon any portion of the Premises in excess of the floor loads which may be established by an engineer licensed by the state of Oregon and employed by SOV.

6.2. HAZARDOUS SUBSTANCES. EVE shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. EVE may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the use specified in Section 5. EVE may store such Hazardous Substances on the Premises only in quantities necessary to satisfy EVE's reasonably anticipated needs. EVE shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this lease, EVE shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious, or radioactive substance, waste, or material as defined or listed by an Environmental Law and shall include, without limitation, petroleum oil and its fractions.

7. SIGNS. EVE shall not have the right to place any sign on the perimeter of the Premises or highly visible from outside of the Premises, without the prior approval of SOV, which written consent may be given or withheld in SOV's sole and absolute discretion.

8. COMPLIANCE WITH LAW. EVE, at EVE's expense, shall promptly observe and comply with all present and future laws, orders, regulations, rules, ordinances and requirements of federal, state, county and city governments with respect to the use, care and control of the Premises.

9. REPRESENTATIONS. EVE acknowledges that this lease is accepted and executed on the basis of EVE's own examination and personal knowledge of the value and condition of the Premises and EVE's own examination of the zoning and other land use regulations applicable to the Property; that no representation as to the value, condition or repair of the Premises has been made by SOV or any agent of SOV; and that EVE agrees to take the Premises in the condition the Premises are in at the time of the execution of this lease. SOV will complete, in reasonably timely fashion, and based on fundraising capacity, all construction and landscaping in accordance with plans in place at the time of execution of this lease even if completion must occur after the execution of this lease.

10. ASSIGNMENT AND SUBLEASE. The interest of EVE under this lease may not be assigned, wholly or partially, or encumbered, nor may all or any portion of the Premises be sublet, except that individual units may be occupied by EVE's members according to Proprietary Leases in a form previously approved by SOV.

11. UTILITIES. SOV shall not be responsible for furnishing utilities or services, and EVE shall arrange and pay for, all water, sewer, electric, telephone service, internet service, trash removal and other services or utilities used by EVE upon the Premises during the term of this lease.

12. ALTERATIONS AND IMPROVEMENTS

12.1. ALTERATIONS AND IMPROVEMENTS. EVE will not make or cause to be made any alteration or improvement upon the Premises, including without limitation to any residential unit within the Premises, without the prior written consent of SOV. All alterations or improvements to the Premises shall be presumed to become an integral part of the Premises, shall remain for the benefit of SOV and shall not be removed unless otherwise expressly agreed in writing.

12.2. WAIVER. SOV may condition its consent to the installation of "a work of visual art" in or on the Premises, as defined in the Visual Artists Rights Act of 1990 ("VARA") at 17 USC §101, on EVE's delivery to SOV of a written waiver of rights under the VARA executed by the artist and to be executed by SOV acknowledging that the work may be subject to destruction on removal.

13. REPAIRS AND MAINTENANCE.

13.1. REPAIRS AND MAINTENANCE. EVE shall, at EVE's expense, maintain the Premises in good order and condition, and in a neat and tidy appearance, during the term of this lease. EVE shall repair and replace elements of the Premises in the same manner as a reasonably prudent owner, and repairs and replacements shall be made without regard to the expiration of this lease. EVE shall not permit the storage of personal property in any outdoor area of the premises. EVE shall not permit the affixing of tarps to any of the buildings and improvements on the premises.

13.2. SOV RIGHT TO MAKE REPAIRS. If EVE fails or refuses to make repairs that are required by this Section, SOV may make the repairs and charge the actual costs of repairs to EVE. Such expenditures by SOV shall be reimbursed by EVE on demand together with interest at the rate of 12% per annum from the date of expenditure by SOV. Except in an emergency or situation creating an immediate risk of personal injury or property damage, including property damage to any portion of the Premises, SOV may perform repairs which are the obligation of EVE and charge EVE for the resulting expense if at least 10 days before work is started, EVE is given notice in writing outlining with reasonable particularity the repairs required, and EVE fails within that time to initiate such repairs in good faith.

14. RULES AND REGULATIONS. SOV may, at any time, implement rules and regulations governing activities on the Property, and EVE shall faithfully observe and comply with, and cause EVE's members and those under EVE's direction and control to comply with, all such rules and regulations, and all reasonable modifications thereof that SOV shall from time to time implement; provided that no rule or regulation shall materially interfere with or diminish any of EVE's rights under the Lease, or impose additional material financial obligations on EVE. Any reasonable modifications of such rules and regulations shall be binding upon EVE upon delivery of a copy of them to EVE. SOV shall not be responsible to EVE for the nonperformance of any such rules and regulations by any other EVE member or occupants of the Property.

15. RETURN OF PREMISES. Upon the expiration of this lease, or its termination for any cause, EVE will surrender the Premises in good order and condition, broom clean, excepting conditions resulting from the failure of SOV to make repairs which are the responsibility of SOV under the provisions of this lease, and except for damage resulting from fire, acts of God or other casualty not caused by the negligence or fault of EVE.

16. ACCESS BY SOV. SOV, or SOV's representatives and agents, shall have free access to the Premises, including all units, at reasonable times for the purpose of examining or exhibiting the same or to make any repairs or alterations on the Premises which SOV deems convenient for the maintenance and preservation thereof; provided that SOV shall exercise all reasonable efforts not to unreasonably disturb the use and occupancy of the Premises by EVE and its members. In modification of the preceding sentence, SOV shall give at least 24 prior written notice to a member before accessing that member's unit. This section shall not be deemed a modification of the repair and maintenance responsibilities provided by this lease.

17. LIENS AND ENCUMBRANCES.

17.1. LIENS AND ENCUMBRANCES. EVE shall keep the Premises free and clear of any and all liens or encumbrances imposed or threatened to be imposed on the Premises by reason of any contract, act or omission by EVE.

17.2. OTHER LIENS.

a. Except with respect to activities for which SOV is responsible, EVE shall pay as due all claims for work done on and for services rendered or material furnished to the Premises and shall keep the Premises free from any liens. If EVE fails to pay any such claims or to discharge any lien, SOV may do so and collect the costs as additional lease fee. Any amount so added shall bear interest at the rate of 12% per annum from the date expended by SOV and shall be payable on demand. Such action by SOV shall not constitute a waiver of any right or remedy which SOV may have on account of EVE's default.

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

18. INJURY TO PROPERTY OR PERSON. EVE is to be responsible for the condition of the Premises during the term of this lease and any damage or injury to property or person resulting from the condition of the Premises or the activities of EVE, and EVE's agents or employees thereon or any independent contractor hired by EVE or any subtenants of EVE or person upon the Premises with the express or implied consent of EVE. SOV shall be responsible for the condition of the areas under SOV's control and any damage or injury to property or person resulting from the condition of those areas, if any. EVE shall indemnify and save SOV harmless from any loss, damage, claim or demand arising out of the condition or activities for which EVE is responsible under the provisions of this section. SOV shall indemnify and save EVE harmless from any loss, damage, claim or demand arising out of the condition for which SOV is responsible under the provisions of this section.

19. DEFAULT BY EVE; SOV'S REMEDIES.

19.1 EVENTS OF DEFAULT. EVE shall be in default under this lease upon the occurrence of any of the following events:

a. DEFAULT IN LEASE FEE. EVE's failure to pay any payment coming due hereunder from EVE to SOV within ten (10) days after written notice thereof is given to EVE by SOV.

b. DEFAULT IN OTHER COVENANTS. EVE's violation or failure to perform any other covenant, condition or provision of this lease within fifteen (15) days after written notice thereof is given to EVE by SOV.

c. INSOLVENCY. In the event EVE makes an assignment for the benefit of EVE's creditors of all or any portion of the assets of EVE; or in the event EVE proposes or consents to a composition with unsecured creditors of EVE; or in the event any interest of EVE hereunder is levied upon by legal process for the enforcement of any debt of EVE, individually or jointly; or in the event EVE becomes insolvent. If EVE is a partnership consisting of one or more individuals or business entities, EVE shall be in default under this lease upon occurrence of any of the events specified in this section by any such individual or business entity.

19.2 REMEDIES ON DEFAULT. SOV shall be entitled to the following remedies upon EVE's default under this lease:

a. TERMINATION. SOV may elect to terminate this lease and any and all interest and claim of EVE by virtue of such lease, whether such interest or claim is existing or prospective, and to terminate all interest of EVE in the Premises. Such termination shall, at the election of SOV, also terminate any sublease by EVE, whether or not SOV has theretofore consented to such sublease. Upon such termination, SOV may reenter the Premises and take possession thereof and remove any persons and property by legal action or by self-help with the use of reasonable force and without liability for damages, and EVE shall indemnify and hold SOV harmless from any claim or demand arising out of such reentry and removal of persons or property. Whether or not SOV elects to terminate this lease, SOV shall be entitled to recover from EVE any amounts due hereunder, or any damages arising out of the violation or failure of EVE to perform any covenant, condition or provision of this lease.

b. RELETTING. Following termination of this Lease, SOV shall use reasonable efforts to relet the Premises. In so doing, SOV may relet all or some portion of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of a period of lease fee-free occupancy or other lease fee concession, and SOV may make any suitable alterations or repairs to the Premises, even if such alterations or repairs change the character or use of the Premises. However, SOV shall not be required to relet the Premises for any use or purpose other than specified in this lease, and SOV shall not be required to relet to any EVE which SOV may reasonably consider objectionable.

c. DAMAGES. In the event of termination by SOV following default, SOV shall be entitled to recover immediately as damages the total of the following amounts:

(1) The loss of lease fee accruing until the date when a new occupant has been, or with the exercise of reasonable effort could have been, obtained.

(2) The reasonable costs of reentry and reletting, including, but not limited to, any expense of cleaning, repairing, altering, remodeling, refurbishing, removing EVE's property, or any other expense incurred in recovering possession of the Premises or reletting the Premises, including, but not limited to, attorney's fees, court costs, broker's commissions and advertising expense.

(3) Any amount by which EVE's total obligations under this lease exceed the fair value of the Premises for the remaining term of this lease, as at the date the premises are, or with the exercise of reasonable effort could have been, relet.

The foregoing remedies shall be in addition to, and shall not exclude, any other remedy available to SOV at law or in equity. All remedies, to the extent they are not inconsistent with each other, shall be deemed cumulative. The election by SOV of one remedy shall not prevent the subsequent election by SOV of an inconsistent remedy unless EVE has substantially changed EVE's position in reliance upon such prior election by SOV.

20. DESTRUCTION OF PREMISES. If the Premises are destroyed or damaged by act of God, by fire or by other casualty to the extent that SOV determines, in SOV's sole discretion, that it is impractical or inadvisable to repair or reconstruct, then SOV shall give EVE written notice of such decision and this lease shall terminate as of the date of such damage or destruction. SOV shall have a period of thirty (30) days following the damage or destruction within which to decide whether the repairs or reconstruction shall be made. If SOV decides to repair or reconstruct, this lease shall continue in full force and effect. If SOV elects to repair or reconstruct, the repairs or reconstruction shall be commenced without undue delay and shall be diligently prosecuted to completion. In any event, EVE shall be entitled to a reduction of the lease fee from the date of such damage or destruction until the repair or reconstruction is completed in an amount proportionate to the extent to which said damage or destruction and the making of repairs interferes with the occupancy by the EVE of the Premises.

21. TAKING FOR PUBLIC USE. If the Premises, in whole or in part, are taken or condemned for public use (an agreed sale to a public or quasi-public corporation or utility after threat of condemnation constitutes a taking for public use), all compensation awarded upon such condemnation or taking shall be paid directly to SOV, and EVE hereby irrevocably assigns and transfers to SOV all of EVE's rights and claims to compensation or damages, including severance damages, to which EVE might become entitled during the term hereof by reason of such taking. Upon any such taking by condemnation, the title to the property so taken shall vest in the condemnor, free and clear of this lease, subject to SOV's right to compensation in the stead of EVE and as owner, and, except for said rights to compensation, this lease shall terminate as to the property so taken, and the lease fee shall be proportionately reduced for the remainder of the term. If there is a partial taking of the Premises and the remaining portion of the Premises after such taking is not reasonably sufficient for EVE's use, EVE shall have the right to terminate this lease as of the date of such condemnation or taking by giving written notice thereof to SOV within thirty (30) days after the date of such condemnation or taking. This section shall not be deemed a waiver or modification of any right which

EVE shall have to recover directly from such condemnor any claim for business interruption or moving or relocation expenses.

22. INSURANCE. EVE shall obtain and maintain in force at all times during the term of this lease, at EVE's expense, the following policies of insurance:

22.1. EVE'S PROPERTY. EVE shall, at its own cost and expense, keep and maintain in full force during the Term and any other period of occupancy of the Premises, a policy or policies of standard form property insurance insuring against the perils of fire, extended coverage, vandalism, malicious mischief, special extended coverage and sprinkler leakage. This insurance policy shall be upon all property owned by EVE, for which EVE is legally liable or that was installed at EVE's expense, and which is located in the Premises, including without limitation, furniture, fittings, installations, cabling, fixtures (other than the improvements installed by SOV), and any other personal property, in the amount of not less than one hundred percent (100%) of the full replacement costs thereof. This insurance policy shall also insure direct or indirect loss of EVE's earning attributable to EVE's inability to use fully or obtain access to the Premises.

22.2. GENERAL LIABILITY. EVE shall, at its own cost and expense, keep and maintain in full force during the Term and any other period of occupancy of the Premises by EVE, a policy or policies of commercial liability insurance, written by a reputable insurance company authorized to do business in the State of Oregon in form and content acceptable to SOV insuring EVE's activities with respect to the Premises for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Premises in an amount of not less than $1,000,000 combined single limit or such larger amounts as may hereafter be reasonably requested by SOV (which request may only be made once every five years). The policy must also (a) insure the hazards of the Premises and EVE's operations therein, include independent contractor and contractual liability coverage (covering the indemnity contained in this lease) (b) name SOV, SOV's managing agent and the SOV's mortgagee under a mortgage or beneficiary under a deed of trust either having a lien against the Property as an additional insured; (c) contain a crossliability provision; (d) contain a provision that the insurance provided hereunder shall be primary and noncontributing with any other insurance available to SOV; and (e) provide that such insurance may not be canceled or terminated in any manner without not less than thirty (30) days' written notice to SOV.

23. PROPERTY DAMAGE INSURANCE. SOV shall obtain and maintain in force a policy or policies of fire insurance on the Premises, with such coverage and in such amounts as SOV may determine, naming SOV as the insured thereunder. EVE shall, upon written notice from SOV, reimburse SOV for that portion of the expense of such insurance that bears the same ratio to the total expense of insurance as the square footage of the Premises bears to the total square footage of lease fee chargable space in the improvement; except that such reimbursement shall be prorated to the extent the expense is applicable to periods prior to the commencement date of the term of this lease or the expiration date of the term of this lease.

24. WAIVER OF SUBROGATION RIGHTS. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

25. INDEMNITY. EVE will indemnify, defend and hold SOV, SOV's managing agent, and the Property harmless from any loss, liability, costs or expenses (including reasonable attorney fees) arising from any injury to any person or any damage to any property as a result of EVE's or EVE's officers, employees, agents, subtenants of EVE's, concessionaires, licensees, contractors or invitees' use, maintenance, occupation, operation or control of the Premises, resulting from any breach or default in the performance of any obligation to be performed by EVE under this lease, or for which EVE is responsible under the terms of the Lease or pursuant to any governmental or insurance requirement, or to the extent arising from any act, neglect, fault or omission of EVE or any of EVE's officers, employees, agents, servants, subtenant's of EVE's, concessionaires, licensees, contractors or invitees; except to the extent the loss, liability, cost or expense arises out of the gross negligence or willful misconduct of SOV and/or its agents, employees or contractors.

26. TAXES AND ASSESSMENTS. Subject to the provisions contained in this section relating to reimbursement, SOV shall pay all real property taxes and assessments upon the Premises. EVE shall pay all personal property taxes on personal property of EVE located upon the Premises. EVE shall, upon written request of SOV, reimburse SOV for any portion of the real property taxes attributable to trade fixtures or other improvements attached to or constructed upon the Premises by EVE.

26.1. REIMBURSEMENT. EVE shall reimburse SOV for payment of the real property taxes upon the Premises. The payment due from EVE to SOV as reimbursement for real property taxes shall be paid within thirty (30) days after receipt of written notice from SOV of payment of such taxes; except that SOV may elect to have EVE reimburse the real property taxes monthly, in advance, at the time of the payment of lease fee hereunder, based upon $1/12^{th}$ of the real property taxes estimated to be coming due; with the balance, if any, payable within 30 days after the taxes are actually paid. Real property taxes for the first and last partial fiscal years of this lease shall be prorated between SOV and EVE as at the commencement date and as at the termination date of this lease

26.2. NEW CHARGES OR FEES. If a new charge or fee relating to the ownership or use of the Premises or the receipt of lease fee therefrom or in lieu of property taxes is assessed or imposed, then, to the extent permitted by law, EVE shall pay such charge or fee. EVE, however, shall have no obligation to pay any income, profits, or franchise tax levied on the net income derived by SOV from this lease.

27. ARBITRATION. In the event the parties are unable to agree as to an adjustment of lease fee to reflect changes in the cost of living, the division of a condemnation award or lease fee for a renewed term of this lease [IF APPLICABLE: or any dispute involving EVE's Proportionate Share of Operating Expenses and Real Estate Taxes as described in Section 26], such controversy shall be determined by arbitration. Either party desiring to arbitrate a controversy shall give written notice to the other party, which notice shall include a designation of the name and address of the person to serve as arbitrator for the party giving such notice. Within fifteen (15) days after receipt of such notice, the recipient of such notice shall give written notice to the other party designating the name and address of a person to serve as arbitrator for the recipient of such notice. The two (2) persons so selected shall forthwith select a third person and such three (3) persons shall serve as arbitrators hereunder. In the event either party fails to designate a person to serve as arbitrator and give notice thereof to the other party as provided herein; or in the event the two (2) persons so designated as arbitrators fail or refuse to select a third arbitrator; or in the event any arbitrator appointed fails or refuses to perform such arbitrator's duties hereunder; either party may petition a court of competent jurisdiction for the appointment of an arbitrator. The arbitrators shall execute oaths to faithfully perform their duties hereunder and in accordance with any applicable statutory authority. The decision of any two (2) of the three (3) arbitrators shall determine the procedural issues and the issue or issues presented for arbitration. Each of the parties shall pay the fees and expenses of the person designated by such party to serve as arbitrator and one-half (½) of the fees and expenses of the third arbitrator; provided that the arbitrators shall have the power to award reimbursement to either party for such fees and expenses. All arbitration proceedings shall be held within the state of Oregon.

28. CONDITIONS. In the event EVE makes an assignment for the benefit of EVE's creditors of all or any portion of the assets of EVE; or in the event EVE proposes or consents to a composition with unsecured creditors of EVE; or in the event any interest of EVE hereunder is levied upon by legal process for the enforcement of any debt of EVE, individually or jointly; or in the event EVE becomes insolvent; SOV shall have the right to terminate this lease by giving written notice of termination to EVE. Specifically, the time periods for curing defaults provided in the section of this lease relating to default by EVE shall not be applicable to the provisions of this section. If EVE is a partnership consisting of one or more individuals or business entities, the right of SOV to terminate this lease upon occurrence of the events specified in this section shall apply to each individual or business entity.

29. HOLDING OVER. If EVE holds over after the expiration of the term of this lease, or an extended term, such holding over shall be deemed to create a tenancy at will which may be terminated at any time by SOV or EVE with lease fee equal to the lease fee in effect immediately before the expiration of the term or extended term, but otherwise will be on the same terms and conditions of this lease.

30. NOTICES. Any notices required or permitted to be given under the terms of this lease, or by law, shall be in writing and may be given by personal delivery or certified mail, directed to the parties at the following addresses, or such other address as any party

may designate in writing prior to the time of the giving of such notice, or in any other manner authorized by law:

SOV:	15 N. Polk St. Eugene,OR 97402
EVE:	25 N. Polk St. Eugene, OR 97402

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Any notice given shall be effective when actually received, or if given by certified mail, then forty-eight (48) hours after the deposit of such notice in the United States mail with postage prepaid.

31. BINDING EFFECT; SUCCESSOR SOV. All of the covenants, agreements, conditions and terms contained in this lease shall be binding upon, apply and inure to the benefit of the successors and assigns of the respective parties, and all said covenants shall be construed as covenants running with the land. However, nothing in this paragraph shall be construed as modifying in any way any restrictions on assignment and sublease provided in this lease. If SOV conveys or transfers the Premises or the property which contains the Premises to another party (the "Successor SOV"), then the Successor SOV automatically becomes the SOV under this lease, EVE automatically attorns to the Successor SOV as the new SOV, the Successor SOV is deemed to fully assume all of SOV's obligations under this Lease as of the date of the conveyance or transfer, including the obligation to return any Security Deposit (as long as SOV turned over the Security Deposit to that party), and SOV is released of any obligations or liability accruing on or after the date of the conveyance or transfer to the Successor SOV.

32. LIMITATION OF SOV'S LIABILITY**.** EVE agrees to look solely to SOV's interest in the Premises, including the lease fee and profits therefrom, for the enforcement of any judgment, award, order or other remedy under or in connection with this lease or any related agreement, instrument or document or for any other matter whatsoever relating to the Premises, and will not seek recourse against the individual partners, directors, officers, members, employees or shareholders of SOV or its partners or any of their personal assets for such satisfaction.

33. FINANCIAL STATEMENTS**.** EVE and SOV shall, within 10 days after requested by either party, deliver to each other financial statements (including balance sheets and income/expense statements) specifically regarding EVE related income and expenditures for EVE's and SOV's then most recent full and partial fiscal year preceding such request, certified as correct by EVE and SOV or an independent certified public accountant, in a form reasonably satisfactory to SOV and EVE.

34. WAIVER. No waiver of any right arising out of a breach of any covenant, term or condition of this lease shall be a waiver of any right arising out of any other or subsequent breach of the same or any other covenant, term or condition or a waiver of the covenant, term or condition itself.

35. INTEGRATION. This lease constitutes a final and complete statement of the agreement between the parties, and fully supersedes all prior agreements or negotiations, written or oral.

36. LEGAL PROCEEDINGS. If any legal or arbitration proceeding is commenced to interpret or enforce this lease, including any proceeding under the U.S. Bankruptcy Code, the prevailing party shall recover its reasonable attorney's fees and related expenses (including expert witness fees, transcript costs and other similar expenses) in such proceeding and any appeal thereof, in addition to the costs and disbursements allowed by law.

37. APPLICABLE LAW. The applicable law for the purpose of interpretation of this lease, or the enforcement of any rights or obligations hereunder, are the laws of the State of Oregon, exclusive of conflicts of laws principles therein.

38. VENUE. Any action or proceeding arising out of this lease will be litigated exclusively in courts located in Lane County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Lane County, Oregon.

39. WARRANTY OF AUTHORITY. The person or persons executing and delivering this lease on behalf of SOV and EVE represent and warrant that each of them is duly authorized to do so and that the execution and delivery of this lease are the lawful and voluntary act of the party on whose behalf that person purports to act.

40. MORTGAGE PRIORITY. This lease is and shall be prior to any mortgage or deed of trust ("Encumbrance") recorded after the date of this lease and affecting the Premises. However, if any lender holding such an Encumbrance requires that this lease be subordinate to the Encumbrance, then EVE agrees that the lease shall be subordinate to the Encumbrance if the holder thereof agrees in writing with EVE that as long as EVE performs EVE's obligations under this lease no foreclosure, deed given in lieu of foreclosure, or sale pursuant to the terms of the Encumbrance, or other steps or procedures taken under the Encumbrance shall affect EVE's rights under this lease. If the foregoing condition is met, EVE shall execute the written agreement and any other documents required by the holder of the Encumbrance to accomplish the purposes of this section. If the Premises are sold as a result of foreclosure of any Encumbrance thereon, or otherwise transferred by SOV or any successor, EVE shall attorn to the purchaser or transferee.

41. RECORDING. Neither this lease nor any memorandum of this lease may be recorded in the real property records without the express written consent of SOV.

42. ESTOPPEL CERTIFICATE. EVE and shall, at any time and from time to time, upon not less than 10 days' prior written notice from SOV, execute, acknowledge, and deliver to SOV a statement in writing certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that this lease is in full force and effect as modified and stating the modifications), stating the dates to which the lease fee and other charges hereunder have been paid by EVE, stating whether or not SOV is in

default in the performance of any covenant, agreement or condition contained in this lease and, if so, specifying each default, stating the address to which notices to EVE shall be sent, and specifying such other matters pertaining to this Lease as may be requested by SOV.

43. SOV'S COVENANT. Upon fully complying with and promptly performing all of the terms, covenants, and conditions of this lease on its part to be performed, upon the prompt and timely payment of all sums due hereunder, and subject to any interests in the Property prior to this Lease, EVE will have and quietly enjoy the Premises for the term set forth herein.

44. LATE CHARGE. In the event any payment coming due from EVE to SOV is not received by SOV within ten (10) days from the due date thereof, EVE shall pay to SOV a late charge equal to 5% of the payment coming due, but in no event shall such late charge exceed any maximum charge now or hereafter established by law. SOV's right to collect any late charge shall be in addition to any other rights or remedies available to SOV hereunder or at law or in equity.

45. HAZARDOUS CONDITIONS. EVE acknowledges that all buildings are susceptible to the growth of mold and other hazardous conditions. SOV will not be liable or responsible for the identification, discovery, detection, abatement, removal or disposal of any bacteria, mold, fungi, or other hazardous condition in the Premises, or relating to EVE's personal property. In addition, SOV does not guarantee or warrant (a) that SOV will be able to prevent the growth of bacteria, mold, or fungi or environmental or other contamination in the Premises or with respect to any personal property of EVE; (b) that SOV will be able to prevent the spread or cross-contamination of any bacteria, mold, environmental or other contamination to other areas of the Premises or to EVE's personal property; or (c) that the air quality in the Premises will be acceptable. EVE assumes all risks relating to any growth of bacteria, mold, fungi, environmental or other contamination in the Premises, and EVE specifically acknowledges and agrees that SOV will not be liable or responsible therefor, nor will SOV be liable or responsible for any personal injury, property damage, loss of use of the Premises or other direct, incidental or consequential damages or losses.

46. SOV'S DISCRETION. Except as otherwise expressly provided in this Lease or as otherwise required by law, SOV retains the absolute right in SOV's sole and absolute discretion to withhold any consent or approval.

47. TIME IS OF THE ESSENCE. Time is of the essence as to the performance of EVE's obligations under this lease.

48. FORCE MAJEURE. Whenever a period of time is prescribed in this Lease for action to be taken by a party, except for EVE's obligation to pay any sums due to SOV (including lease fee and additional lease fee charges) the parties shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war,

laws, or any other causes of any kind whatsoever which are beyond the reasonable control of the parties.

49. SEVERABILITY. If a court or arbitrator in any proceeding holds any provision of this lease or its application to any person or circumstance invalid, illegal or unenforceable, the remainder of this lease, or the application of such provision to persons or circumstances other than those to which it was held to be invalid, illegal or unenforceable, shall not be affected, and shall be valid, legal and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not frustrate materially and adversely the parties' essential objectives as expressed in this lease. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties intend that the court or arbitrator reform this lease to add a provision as similar in terms to such invalid or unenforceable provision as may be valid and enforceable, so as to effect the original intent of the parties to the greatest extent possible.

50. INTERPRETATION. In interpreting this Lease, (i) headings and captions are for convenience only and are not to be used in the interpretation of this Lease nor a limitation on the scope of the particular paragraph to which each refers; (ii) the term "including" is always deemed to mean "including, without limitation"; and (iii) the rule of construction that a written agreement is construed against the party preparing or drafting an agreement is specifically not applicable to the interpretation of this Lease.

51. ELECTRONIC TRANSMISSION; COUNTERPARTS. The delivery of this agreement by facsimile, email or similar electronic transmission will be treated as delivery of an original document, and any signature of any party thereon shall be considered to be an original signature, with the same legal effect as an original signature on an original document. This agreement may be executed in several counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same document.

52. FUTURE ASSURANCES. Each of the parties shall, upon request of any other party, execute and deliver such additional documents as may be necessary or convenient for the purpose of evidencing or perfecting any rights or interests arising under this Lease.

53. AMENDMENT BY WRITING. This Lease may not be amended or modified in any way except by a written instrument executed by all of the parties.

DATED Effective as of January 1, 2022.

SOV:	**EVE:**
SQUAREONE VILLAGES	**EMERALD VILLAGE EUGENE**
By: _____	By: _____

Dan Bryant, Executive Director

Date: _____

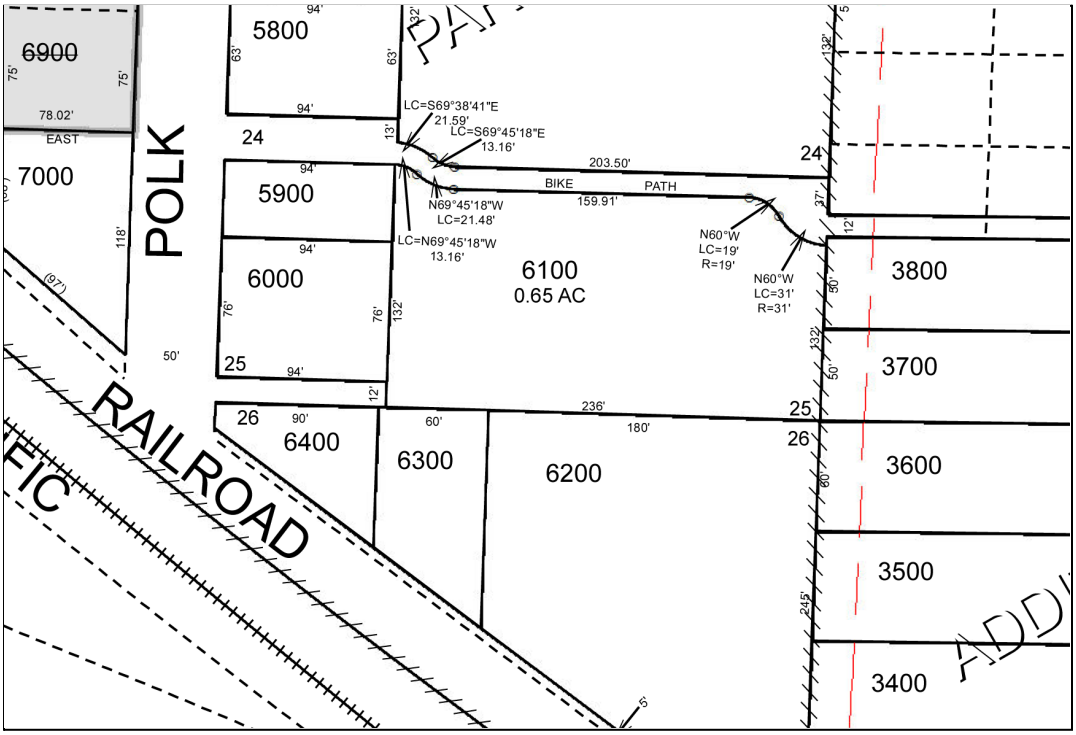
Board President

Date: _____

EXHIBIT A TAX LOT MAP

The property to be leased at 25 N. Polk St. includes the following tax lots:

- 17-03-25-41-06000
- 17-03-25-41-06100
- 17-03-25-41-06300



- 17-03-25-41-06400

EXHIBIT B PREMISES MAP

The Food Court and Office Building are not included in this lease, and have been highlighted in red on the site plan below. SOV will also reserve two parking spaces to be leased to the two dwellings on tax lot 17-03-25-41-05900.



EXHIBIT C GROUND LEASE CALCULATION

The initial monthly lease fee for 22 occupiable units is **$3,967.00**, and commencing with February 1, 2023 the monthly lease fee will increase at the same percentage as the national Consumer Price Index as described in Section 3.2 of this lease.

Until final occupancy permits are issued for units B and M and all twenty two (22) units are occupiable, the monthly lease fee will be charged pro rata as follows:

For 20 occupiable units: **$3,631.36**

For 21 occupiable units: **$3,799.18**

Per Section 3.3 of this lease, SquareOne Villages may, in its sole discretion, deduct $25 per month for each unassigned parking space during months in which EVE has less than eleven (11) members assigned a paid parking space in the parking lot.