LESSOR:
Square One Villages
15 N. Polk
Eugene, OR 97402

LESSEE:
C Street Co-operative
1077 C Street
Springfield, OR 97477

AFTER RECORDING, RETURN TO:
Square One Villages
15 N. Polk
Eugene, OR 97402

SEND TAX STATEMENTS TO:
Square One Villages
15 N. Polk
Eugene, OR 97402

GROUND LEASE

This GROUND LEASE (the "Lease") is made and entered into this ____ day of August, 2021 the "Effective Date") by and between SQUARE ONE VILLAGES (the "Lessor") and C STREET CO-OPERATIVE (the "Lessee"). Square One Villages and C Street Co-operative may from time to time hereafter be referred to individually as a "Party" and/or collectively as the "Parties."

R E C I T A L S :

A. Lessor is an Oregon public benefit nonprofit corporation organized exclusively for charitable purposes, including the purpose of providing secure shared resident-controlled housing for low and moderate income people.

B. Lessee is an Oregon co-operative organized exclusively to operate shared resident-controlled housing for low and moderate income people at housing located at 1075 and 1077 C Street, Springfield, Oregon.

C. Lessor owns the land at 1075 and 1077 C Street, Springfield, Oregon and desires to lease the same to the Lessee so that Lessee can construct and operate on the land shared resident-controlled housing for low and moderate income people. Lessor and Lessee agree that the terms of this Lease will further their shared goals of providing shared resident-controlled housing for low and moderate income people for an extended period of time.

D. Lessor and Lessee each recognize the special nature of the terms of this Lease, and each of them accepts the terms herein, including those terms that affect the marketing and resale price of the residential units or suites (the "Units") constructed by Lessee and the resale of membership shares in the Lessee.

NOW THEREFORE, in consideration of the above and the mutual covenants and agreements set forth below, the Parties agree on the terms and conditions of this Lease as follows:

1. **Acknowledgments.**

1.1 **Acknowledgment of Recitals**. The Parties acknowledge and agree that the Recitals set forth above are accurate and correctly state the intent of the Parties in executing this Agreement.

1.2 **Charitable Purpose**. Lessee agrees and acknowledges that all the conditions and restrictions contained herein are essential to the fulfillment of Lessor's charitable purposes including conditions and restrictions on Lessee's occupancy and use of the Leased Premises (defined below) and conditions and restrictions set forth in exhibits attached hereto.

2. **Demise of Leased Premises**.

2.1 **Premises.** Lessor hereby demises and leases unto Lessee that real property described on the attached Exhibit "A" (the "Leased Premises"). It is expressly understood and agreed between the Parties that the Leased Premises include only the land and do not include any buildings, structures or other improvements (collectively, the "Improvements") on the Leased Premises. The Improvements, while subject to this Lease, are not leased hereunder since they are owned by Lessee.

2.2 **Reservation of Mineral Rights**. Lessor reserves to itself all the minerals and other extractive resources on or under the land of the Leased Premises. Said reservations will not diminish the right of the Lessee under this Lease to occupy and use the Leased Premises. In instances requiring a material disruption of the Lessee's use and occupancy of the Leased Premises so that Lessor may extract resources from the land included in the Leased Premises, the Lessor will not make said extraction without the written consent of the Lessee, which may be withheld at Lessee's sole discretion.

2.3 **Condition of Leased Premises**. Lessee acknowledges that Lessor has given it adequate opportunity to fully inspect the Leased Premises and that it has inspected the Leased Premises. Lessee accepts the Leased Premises on an "As Is, Where Is" Basis.

3. **Term of Lease**.

3.1 **Principal Term**. This Lease will be for ninety-nine (99) years beginning on the Effective Date and terminating on the 15th day of November, 2120 unless terminated sooner or extended as provided below.

3.2 **Lessee's Option to Extend**. Lessee may extend this Lease for one (1) additional period of ninety-nine (99) years, subject to all the provisions of this Lease, and to the following: (i) this Lease is in effect at the time Lessee gives notice to Lessor to extend and the Lease is not terminated before the last day of the original term; and (ii) there is no uncured Event of Default (as defined below) by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee (as defined below). Lessee will give written notice to extend to Lessor not more than 365 nor less than 180 days before the last day of the original term, irrevocably exercising the option to extend. Each Party will then execute a memorandum, in mutually agreeable and recordable form, acknowledging that Lessor has exercised its option to extend. At Lessee's option, the memorandum may be recorded in the land records of Lane County, Oregon.

3.3 **Change of Lessor; Lessee's Right of First Refusal**. If ownership of or title to the Leased Premises is sold, conveyed or otherwise transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease will not cease, but will be unaffected and remain binding on the transferee and the Lessee. However, if the Lessor desires or attempts to sell, convey or otherwise transfer the Leased Premises to any person or entity other than to a non-profit corporation, charitable trust, governmental agency, or other similar entity sharing the goals and objectives set forth in the Recitals above, the Lessee will have a right of first refusal to purchase the Leased Premises. Lessee's right of first refusal will be to purchase the Leased Premises for the same price and on the same terms as offered by the prospective purchaser except that Lessee will have a minimum of ninety (90) days in which to secure a commitment to finance the purchase. This right of first refusal will not apply where the contemplated transfer is as security for a loan to Lessor. Any sale, conveyance or other transfer in which Lessee was not given full opportunity to exercise this right of first refusal will be null and void.

4. **Lessee's Organization and Governance Covenants**.

4.1 **Affordable Housing Covenant**. Lessee acknowledges that Lessor is entering into this Lease to further its goal of providing for affordable housing for persons of low and moderate income and that restrictions set forth in this Lease serve Lessor's purpose of providing for such housing. Lessee covenants that, for the term of this Lease, the Leased Premises and all housing improvements thereon will be used exclusively for housing for low to moderate income persons. The Parties acknowledge that this covenant and other provisions in this Lease restricting use of the Leased Premises and the resale of Memberships in Lessee are intended to qualify as affordable housing covenants under Oregon Revised Statutes 456.270 and 456.280.

4.2 **Organization as Co-operative**. Lessee is currently organized on a co-operative basis and covenants to continue to operate as a limited equity shared housing co-operative controlled by its Members who occupy the Units constructed and maintained by Lessee on the Leased Premises. Lessee's Articles of Incorporation, Bylaws, and other constituent governing documents ("Lessee's Governing Documents") will contain rules, regulations, and policies designed to foster and maintain (a) Lessee's Improvements in good condition and repair; (b) continual occupancy of the Units by its Members; and (c) basic harmony and good order among the Members.

4.3 **Bylaws.** Lessor has reviewed and approves Lessee's Bylaws, a copy of which is attached as Exhibit "B." Lessee agrees and acknowledges that any amendment to these Bylaws must be approved by Lessor.

4.4 **Proprietary Leases**. The Lessee will sublet the Units and issue subleases (the "Proprietary Leases") only to (a) Members of the Lessee who are (b) Low-Income Persons, as defined below, at the time they become Members. A copy of the Proprietary Lease, approved by Lessor, is attached as Exhibit "C." As used herein, the term "Low Income Person" means a person or group of persons constituting a family or household whose combined income does not exceed eighty percent (80%) of the Area Median Income for Lane County, Oregon. (See attached Exhibit "D" Income Requirements.) The Proprietary Leases will at all times be subject to this Lease. At all times, Lessee will maintain a list of the Members and records adequate to verify the income eligibility of Members at the time they were issued a Membership. Lessor will have the right to inspect and copy said list and all such records. Lessee agrees and acknowledges that any amendment to the Proprietary Lease must be approved by Lessor.

4.5 **Member Covenants.** Lessee's Bylaws and the Proprietary Lease will require that every Member, by accepting a Membership interest in Lessee and a Proprietary Lease, will agree to be bound by all the covenants, terms, or conditions of the Bylaws and the Proprietary Lease and the covenants, terms and conditions of this Lease as they apply to the Member. Lessee will enforce compliance by Members of their obligations to Lessor under the Bylaws and Proprietary Lease.

5. **Use of the Leased Premises**.

5.1 **Affordable Housing Only**. The Leased Premises may be used by Lessee only for affordable housing and may sublease only to low-income persons as set forth above in Section 4.4. Lessee will comply fully with the terms of the Ground Lease Income Requirements set forth on the attached Exhibit "D." Lessee will use and cause its Members to use the Leased Premises and Lessee's Improvements thereon now and in the future only for residential use.

5.2 **Limited Commercial Use**. Notwithstanding the limitations in Section 5.1 above, Members or other occupants of the Leased Premises may, to the extent permitted by applicable law, engage in limited commercial use and activity consistent with the following conditions and requirements: (i) there may be no advertising, signage or exterior indication of the commercial use or activity; (ii) at all times, the exterior of the Units and the grounds of the

Leased Premises will be maintained in a clean and neat appearance; (iii) occupants may not engage in any commercial use or activity which will increase the rate of fire insurance or liability insurance on the Leased Premises or the Improvements thereon; (iv) vehicles used exclusively or predominantly for commercial purposes will not be parked on the Leased Premises; and (v) occupants may not engage in any commercial use or activity which creates noise at a level inconsistent with the residential purpose and nature of the development on the Leased Premises.

5.3 **Responsible Use**. Lessee will use and cause its Members to use the Leased Premises in a manner so as not to cause actual harm to others, create a public or private nuisance or increase the cost of any required insurance on or regarding the Leased Premises or any Improvements thereon. Furthermore, Lessee will dispose of any and all waste generated on the Leased Premises in a safe and sanitary manner and will not allow for any part of the Units, grounds, or other parts of the Leased Premises to fall into a condition which would result in penalties levied by local government.

5.4 **Responsibility for Others**. Lessee will be responsible for the use of the Leased Premises by its Members and any residents thereof; their families, friends and/or visitors; and anyone else using the Leased Premises with the consent of a Member or resident of a Unit. Lessor and Lessee are the only parties to this Lease and Individual Members of Lessee will not have standing to make claims or seek action under this Lease.

5.5 **Restrictions on Occupancy**. A Unit may be occupied only by a Member of Lessee to whom a Proprietary Lease has been issued and that Member's immediate family (including blood relatives and persons related by marriage as well as the domestic partner of a Member) as the principal, full-time residence of the Member and the Member's family. As used herein, "full-time" will mean at least nine months each year. The number of persons occupying a Unit shall not exceed two times the number of bedrooms plus one person. No use or occupancy of the Leased Premises, other than as specified herein, is permitted. No storage or other accessory structure may be used as a residence and no Unit may be used primarily for storage.

5.6 **Inspection.** Lesseeor may inspect any portion of the Leased Premises at any reasonable time and in any reasonable manner, upon at least forty-eight (48) hours written notice to Lessee, except in the event of emergency when no notice is required.

5.7 **Lessee's Right to Quiet Enjoyment**. Lessee has the right to undisturbed and peaceful enjoyment of the Leased Premises and, except as provided herein, Lessor will not interfere with the Lessee's quiet enjoyment of the Leased Premises or with the personal lives, associations, expressions or actions of Lessee's members.

5.8 **Discontinuance of Use**. After the Effective Date, should Lessee thereafter notify Lessor in writing of its intent to permanently discontinue its possession of the Leased Premises, then Lessor will have the option to cancel and terminate this Lease.

6. **Rent and Other Payments**.

6.1 **Amount of Rent**. Lessee will pay to Lessor throughout the term of this Lease and any extension thereof the following amounts as rent:

6.1.1 Lessee will pay $625 per month each month for the first seventeen (17) months of this Lease.

6.1.2 Commencing with February 1, 2023, the monthly rent will be increased by the same percentage as the same percentage 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.

6.2 **Additional Rent**. Lessee will pay each month to Lessor throughout the term of this Lease and any extension thereof the following as additional rent:

6.2.1 One-twelfth (1/12th) of the annual premium for fire/hazard and liability/casualty insurance maintained on the Leased Premises and Lessee's Improvements.

6.2.2 One-twelfth (1/12th) of the real estate taxes on the Leased Premises and Lessee's Improvements.

6.2.3 An amount equal to the monthly payment of interest and principal due on the First Trust Deed (defined below in Section 8.1).

6.2.4 An amount equal to the monthly payment of principal and interest due on the Second Trust Deed (defined below in Section 8.1).

6.3 **Use of Additional Rent**. Lessor will hold funds collected under 6.2.1 and 6.2.2 on behalf of Lessee and will pay the insurance premiums and real estate taxes when due. If the amount collected is insufficient to pay the premiums or taxes, then Lessee will pay to Lessor the shortage and Lessor will make adjustments to the amount collected each month to prevent subsequent shortages. Lessor will pay when due the monthly payments on the First and Second Deeds of Trust.

6.4 **Due Date, Late Fees, and Place of Payment**. All rent due under Sections 6.1 and 6.2 above will be due on the eighth (8th) day of each month and past due after the fifteenth (15th) day of the month. A late fee equal to 15% of the monthly rent will be assessed for any rent payment not received by the 15th (fifteenth) day of the month. Delinquent rent will also accrue interest at the rate of 1% per month (12% per annum) until the deficiency is cured. Lessee will make the rent payments to Lessor at the following address: 15 N. Polk Street, Eugene, OR 97402.

6.5 **Other Payments**. In addition to the rent due under Section 6.1 above and the additional rent due under Section 6.2 above, Lessee will throughout the term of this Lease and any extension thereof pay when due the following:

6.5.1 Payments on all loans for which Lessee's Improvements are security for the repayment of the loan.

6.5.2 Charges for all utilities incurred at the Lessee's Premises including in the Units thereof.

6.5.3 All other charges by any government or quasi-governmental entity attributed to the Leased Premises (but excluding any income tax, gross receipts tax or similar tax or any kind of levy or charge relating to Lessor) which, if valid and not paid, could result in a lien being recorded against the Leased Premises.

7. **Improvements**.

7.1 **Construction and Alteration**. Any construction in connection with Lessee's existing Improvements or new Improvements will be subject to the following conditions: (a) the Units and accessory structures constituting Lessee's Improvements and the associated landscaping will be constructed and installed as specified in the construction plans and specifications and the landscape plans as approved by Lessor; (b) all costs for construction of Lessee's Improvements and installation of landscaping will be paid by Lessee; (c) all construction will be performed in a reasonably commercial manner, will be performed only after obtaining all necessary permits, and will comply with all applicable laws, ordinances and regulations, including requirements of state and local public health authorities; (d) all construction must be consistent with the permitted uses set forth in this Lease; (e) the exterior dimensions (including height) of any Improvement will not be increased or expanded without Lessor's prior written consent; (f) the exterior color and exterior materials (including the roof) will not be changed without Lessor's prior written consent; (g) no additional structures may be constructed or brought onto the Leased Premises without Lessor's prior written consent; (h) if the construction requires Lessor's approval under this Lease, Lessee will furnish to Lessor, for Lessor's review, a copy of all plans and building permit applications, and Lessee may not commence construction until it receives written consent from Lessor, which will not be unreasonably withheld; (i) no structure, improvement, or plantings will adversely impact the solar benefits available to a dwelling, and Lessor will have the right to remove any offending improvement or planting; (j) the footprint of a Unit or accessory structure will not be increased without Lessor's prior written consent; and (k) if the construction does not require Lessor's approval under this Lease but requires a building permit or other similar permit from a governmental authority, Lessee will furnish to Lessor, for Lessor's review, a copy of all plans and permit applications at least ten (10) days prior to commencing construction.

7.2 **Construction Liens**. Lessee will not suffer or permit any construction or materialmen's statutory or similar lien to be filed against the Leased Premises, the Improvements, or any interest of Lessor or Lessee, which remains more than sixty (60) days after filing thereof, and Lessee will cause the same to be discharged. If Lessee fails to get the lien discharged within such period, then Lessee may, at Lessee's expense, contest the validity of any such asserted lien if Lessee has furnished a bond in an amount set by statute or is otherwise

sufficient to release the lien. If Lessee fails to get the lien discharged, then, in addition to any other right or remedy of Lessee, Lessor may, but will not be obligated to, discharge the same by paying the amount claimed. Such amount paid by Lessor or any other expenses incurred by Lessor because of said lien will be deemed to be additional rent payable upon demand by Lessee.

7.3 **Maintenance by Lessee**. Lessee will, at Lessee's sole expense, maintain the Leased Premises and the Lessee's Improvements in good, clean and safe condition and repair and in accordance with all applicable laws, rules, ordinances, orders and regulations of all governmental agencies and entities and all insurance companies insuring all or any part of the Leased Premises or Lessee's Improvements. Lessee will, at Lessee's sole expense, maintain all landscaping on the Leased Premises in a healthy condition. Lessee will not remove healthy trees or shrubs within fifty (50) feet of any property line or where such trees or shrubs serve as a visual screen between Units, without replacing the items removed with trees and shrubs of approximately equivalent size. In the event of Lessee's failure to maintain Lessee's Improvements as required by this Section 7.3 and after twenty (20) days written notice to Lessee of Lessor's intention to do so, Lessor will have the right to make repairs to Lessee's Improvements and charge the cost to Lessee. Lessee will reimburse Lessor for any such sum, which will be deemed additional rent payable by Lessee upon Lessor's demand. Notwithstanding the foregoing, Lessor will not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Lessee's Improvements and Lessee hereby assumes the responsibility for furnishing all services or facilities. Nothing in this Lease limits the right of Lessee to assign and/or impose on Lessee's Members the responsibilities imposed on Lessee by this Section.

7.4 **Maintenance by Lessor**. Both Parties agree that Lessee's Improvements will not be considered part of the Leased Premises. Lessor will, at Lessor's sole expense, maintain Lessor's Improvements in good, clean and safe condition and repair in accordance with all applicable laws, rules ordinances, orders and regulations of all governmental agencies and jurisdictions and all insurance companies insuring all or any part of the Leased Premises or Improvements.

7.5 **Disposition of Improvements at Expiration of Lease Term**. Upon expiration of the term of this Lease, including any extension thereof, or upon sooner termination of this Lease, title to Lessee's Improvements will thereupon automatically transfer to Lessor. Such transfer will be contingent upon payment by Lessor as the purchase price therefor the aggregate of the amounts each Member of Lessee could obtain in the current market upon the sale of his or her membership in Lessee if no expiration or termination were to occur, minus any encumbrances affecting the Leased Premises, the Improvements thereon, or any Member's membership. In anticipation of such reversion of title and Lessor's obligation to pay Lessee for the Improvements as aforesaid, not later than twelve (12) months prior to the expiration of the term of this Lease including any extension, Lessor will present Lessee a plan specifying in reasonable detail Lessor's intended means of satisfying its obligations under this Section 7.5. Lessee agrees, upon request, to execute all documents reasonably required to carry out the intent of this Section 7.5. Lessee will convey Lessee's Improvements free and clear of all financial encumbrances except those assumed by Lessor at Closing.

7.6 **Removal of Improvements**. Lessee may not sever or remove any of Lessee's Improvements including but not limited to washer, refrigerator, HVAC, hot water tank. and range from the Leased Premises without Lessor's prior written consent except to replace them with more energy efficient items.

7.7 **Inspections**. With the help of qualified professionals, Lessee will conduct regular periodic inspections of the condition of Lessee's Improvements at least every three (3) years. Lessee will promptly provide Lessor copies of the reports on all such inspections.

8. **Financing and Mortgages**.

8.1 **Lessor's Mortgages**. Lessee acknowledges that the Leased Premises are encumbered by: (i) a first priority deed of trust to secure a loan to Lessor by Summit Bank ("First Trust Deed"), and (ii) a second priority deed of trust to secure a loan to Lessor by C Street Revillaging LLC ("Second Trust Deed"). Lessee agrees that these deeds of trust will have priority over any mortgage, deed of trust, or lien on the Lessee's leasehold interest in the Leased Premises. Furthermore, Lessor reserves the right to subject and subordinate this Lease to the lien of any future mortgage, deed of trust or other encumbrance granted by Lessor to secure financing on the Leased Premises.

8.2 **Permitted Mortgage**. Lessee may mortgage, pledge, encumber or grant a lien or trust deed in its leasehold interest in the Leased Premises or Lessee's Improvements only pursuant to a Permitted Mortgage. A Permitted Mortgage is a mortgage, deed of trust or similar encumbrance on Lessee's leasehold interest in the Leased Premises which:

8.2.1 Runs in favor of either:

8.2.1.1 A so-called institutional lender such as but not limited to a federal, state or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, an pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision;

8.2.1.2 A so-called Community Development Financial Institution or similar non-profit or governmental lender to housing projects for low-income persons; or

8.2.1.3 Any lender, whether a person or entity, who is motivated by social conscience to provide assistance to the development of housing for low-income persons and who has been thoroughly vetted by Lessee to have the financial ability to make the loan and bear the risk as lender to Lessee;

8.2.2 Secures a loan used to finance the construction or repair of Lessee's Improvements or to used to refinance an existing Permitted Mortgage;

8.2.3 Has been reviewed and approved by Lessor;

8.2.4 In a written instrument executed by Lessee, provides, among other things, that in the event of a default in any of Lessee's obligations under the Permitted Mortgage, the mortgagee thereof must notify Lessor of the default and Lessor will have the right, but not the obligation, within 120 days after its receipt of such notice, to cure the default in the Lessee's name and on Lessee's behalf and if Lessor cures said default within 120 days, the mortgagee shall not have the right to accelerate the note and/or loan secured by such Permitted Mortgage nor to commence to foreclose the Permitted Mortgage on account of such default; provided that current payments due under the Permitted Mortgage during 120 days are made to the mortgagee; and

8.2.5 May not require repayment installments in an amount which would, in conjunction with other of Lessee's expenses related to the Leased Premises and Lessee's Improvements, make the monthly assessments charged by Lessee to its Members exceed the amount which may be charged under any agreement, binding document, Lessee's Bylaws, or regulation applicable to the Leased Premises or Lessee's Improvements.

8.3 **Lessor's Review.** Prior to execution of any mortgage, deed of trust, or document creating an encumbrance or lien on its leasehold interest in the Lease or its Improvements, Lessee will submit each document and instrument to be executed in connection therewith to Lessor for Lessor's review. Lessor will be required to approve an encumbrance as a Permitted Mortgage only if: (i) At the time of such submission and at the time proposed by Lessee for execution of such documents, Lessee is not in default under this Lease; (ii) Such encumbrance and related documentation does not contain any provisions rendering Lessor personally liable for the payment of the debt secured by the Permitted Mortgage; (iii) Nothing in the encumbrance or related documents obligates Lessor to execute an assignment of rent payable by Lessee under this Lease; and (iv) The encumbrance qualifies as a Permitted Mortgage under Section 8.2 above.

8.4 **Rights of Permitted Mortgagee**. The mortgagee of any Permitted Mortgage (the "Permitted Mortgagee"), will have, without requirement of consent by Lessor, the right to: (i) Cure any default by Lessee under this Lease and to perform any of Lessee's obligations hereunder, with any such cure or performance being effective as if the same had been undertaken and performed by Lessee; (ii) In the event of default by Lessee under this Lease and subsequent cure by Permitted Mortgagee, foreclose on the mortgage and acquire or sell, convey, assign, and transfer Lessee's interest in this Lease and the appurtenant Membership, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage or applicable laws, which may limit the exercise of any such right, remedy or privilege; (iii) In the event of a default by Lessee under the Permitted Mortgage, foreclose on the mortgage and acquire or sell, convey, assign, and transfer Lessee's interest in this Lease and the appurtenant Membership, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage or applicable laws, which may limit the exercise of any such right,

remedy or privilege; and (iv) Rely and enforce any provision of this Lease against the Lessee to the extent that such provisions are for the mortgagee's benefit. The mortgagee will not, as a condition to the exercise of the above rights, be required to assume personal liability for the payment and performance of the Lessee's obligations under the Lease. Any such payment or performance or other act of such Permitted Mortgagee will not be construed as an agreement by the Permitted Mortgagee to assume such personal liability except to the extent the Permitted Mortgagee actually takes possession Leased Premises or Lessee's Improvements or collects fees or rentals from the Lessee.

8.5 **Approval of Amendments**. Before any amendment to this Lease agreed to by Lessor and Lessee can go into effect, the Permitted Mortgagee will have the right to approve the proposed amendment, provided that such approval is not unreasonably withheld. If the Permitted Mortgagee has not approved or disapproved a proposed amendment within thirty (30) days after submission to it of the amendment for review, then the amendment will be deemed approved for all purposes.

8.6 **New Lease to Mortgagee**. If this Lease is terminated for any reason, or in the event of the rejection or disaffirmance of this Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor will enter into a new lease of the Leased Premises with the Permitted Mortgagee or mortgagee's assignee approved by Lessor. The Permitted Mortgagee shall request a new lease not later than sixty (60) days after such termination, rejection or disaffirmance and Lessor must enter into the new lease not more than thirty (30) days after the request of the mortgagee. Such lease will be for the remainder of the term of this Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and conditions set forth in this Lease, including but not limited to, restrictions on occupancy to low-income persons. Upon approval by Lessor of a new lease, the Lessor and mortgagee will execute a new written lease which will supersede this Lease. Prior to execution of the new lease, all curable defaults under this Lease must be cured. Any new lease will have the priority with respect to other interests in the Leased Premises as this Lease. The provisions of this Section 8.6 will survive the termination, rejection or disaffirmance of this Lease and will continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee and the Permitted Mortgagee.

8.7 **No Termination During Foreclosure.** During such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of a Permitted Mortgage, is diligently pursing the same, and is timely making all rent and other payments due under this Lease, the Lessor will not have any right to terminate this Lease.

8.8 **Lessor's Costs**. Lessee will pay to Lessor at Lessor's option, as additional rent hereunder, all fees, costs and expenses, including without limitation, reasonable attorney fees incurred by Lessor in connection with any Permitted Mortgage.

9. **Liability, Insurance, and Eminent Domain**.

9.1 **Liability of the Parties**.

9.1.1 Beginning on the Effective Date hereof, Lessee assumes sole responsibility and liability to any and all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.1.2 Notwithstanding the above, Lessor will remain responsible and liable for damage or injury due to its actions or negligence at the Leased Premises including damage or injury caused by Lessor's agents.

9.2 **Indemnification**.

9.2.1 Lessee will defend, indemnify and hold Lessor harmless against all liability and claims for damage or injury to person or property from any cause on or about the Leased Premises except for damage or injury caused by the acts or negligence of Lessor or its agents.

9.2.2 Lessor will defend, indemnify and hold Lessee harmless against all liability and claims for damage or injury to persons or property caused by acts or negligence of Lessor or its agents.

9.2.3 In the event that either Party is required to pay any sum whatsoever which is the responsibility or liability of the other Party, the responsible Party will reimburse the other Party for the amount paid and for all reasonable expenses incurred thereby.

9.3 **Insurance.**

9.3.1 Commencing on the Effective Date hereof and continuously throughout the term of this Lease, Lessee, at Lessee's sole expense, will maintain in effect liability insurance covering the Leased Premises in an amount of not less than One Million Dollars ($1,000,000.00). The Lessee will name the Lessor as an additional insured and loss payee on the policy.

9.3.2 Commencing on the Effective Date hereof and continuously throughout the term of this Lease, Lessee, at Lessee's sole expense, will maintain in effect fire and general hazard insurance with extended coverage on the Leased Premises and all of Lessee's Improvements in an amount of not less than the replacement market value of the Leased Premises and Lessee's Improvements. This insurance policy will name the Lessor as an additional insured and loss payee. Any proceeds paid on this policy will be used for the repair and replacement of the property damaged or destroyed unless this Lease is terminated under Section 9.4.3 below.

9.3.3 The dollar amount of coverage required in Section 9.3.1 may be adjusted not more than annually and at least every ten (10) years. The primary insured may initiate an adjustment or the additional insured may demand an adjustment by giving a thirty (30) day notice to the other Party. These adjustments will be equal to the percentage of change

(positive or negative) over the period since the last adjustment in the national Consumer Price Index as maintained by the U.S. Bureau of Labor Statistics. The fire and hazard insurance will be adjusted regularly by an amount equal to the increase of the market value of the Leased Premises and Lessee's Improvements.

9.3.4 The premiums for insurance required under Sections 9.3.1 and 9.3.2 above will be paid by Lessor from funds collected as additional rent as set forth in Sections 6.2.1 and 6.2.2 above. Lessor will provide Lessee with proof of payment of these premiums within fifteen (15) days of making any such payment.

9.3.5 The insurance required by this Section 9.3 will specifically insure a Party against all liability assumed under Section 9.1 above as well as all liability imposed by law.

9.3.5 The insurance policies required above will contain endorsements providing that they will not be cancelled, reduced in amount or coverage, or otherwise modified without at least a thirty (30) day written notice to the Parties. Both Parties will be entitled to participate in the settlement or adjustment of any losses covered by such insurance policies.

9.4 **Damage or Destruction**.

9.4.1 Except as provided below, should the Lessee's Improvements be wholly or partially damaged or destroyed, Lessee will promptly repair and restore said Improvements to their condition immediately prior to the damage and will use insurance proceeds to pay for the restoration. Lessee will take all steps necessary to assure the Lessor that the Leased Premises are safe and the damaged Improvements do not constitute a danger to persons or property.

9.4.2 If the Lessee determines, based on professional estimates, that either (a) full repair and restoration is physically impossible, or (b) the available insurance proceeds will pay for less than the full cost of necessary repairs and the Lessee cannot otherwise afford to cover the balance of the cost of repairs, then Lessee will give prompt written notice of the same. The Parties will then collaborate to try to increase insurance proceeds, reduce the cost of necessary repairs, arrange affordable financing to cover the balance of the costs of repair, or otherwise resolve the gap between insurance proceeds and the cost of repair.

9.4.3 If the Parties cannot find a way to pay for the full restoration of the Improvements in the absence of adequate insurance proceeds, then Lessee may give Lessor a sixty (60) day written notice of intent to terminate the Lease. Upon termination, any insurance proceeds payable to the Lessee for damage to its Improvements will be paid as follows: First, to Lessee's expenses incurred to collect the Proceeds; Second, to any Permitted Mortgagee to the extent required by the Permitted Mortgagee; Third, to the expenses of enclosing or razing the remains of the Improvements and clearing debris; Fourth to the Lessor for any amounts owed under this Lease due and payable as of the date of payment of the proceeds; and Fifth, the balance to the Lessee.

9.5 **Eminent Domain**.

9.5.1 If all of the Leased Premises is taken by eminent domain or if so much of the Leased Premises is taken that the Lessee's Improvements are lost or damaged beyond repair, the Lease will terminate as of the date when Lessee is required to relinquish possession of the Leased Premises. In such circumstance, the condemnation award will be paid as follows: First, to the expenses of the Parties incurred in connection with the eminent domain; Second, to any mortgagee or holder of a trust deed on Lessor's fee interest in the Leased Premises; Third, to the Lessor for any amounts owed under this Lease; Fourth, to the Lessor for an amount equal to the fair market value of the Leased Premises, as determined by a licensed appraiser in the condemnation process, minus the amounts paid to Lessor under the first, second, and third allocation clauses above; Fifth, to any Permitted Mortgagee with a mortgage or trust deed on Lessee's leasehold interest in the Leased Premises or on the Lessee's Improvements; and Sixth, the balance to the Lessee.

9.5.2 If a portion of the Leased Premises is taken which does not result in damage to the Lessee's Improvements or significant reduction in the usefulness or desirability of the Leased Premises for the Lessee's residential purposes, then any monetary compensation for such taking will be allocated entirely to the Lessor. If a taking reduces the size of the Leased Premises but does not result in termination of this Lease, then the monthly rent will be adjusted by the same percentage as the percentage of the amount of the reduction in the size of the Leased Premises.

9.5.3 If a portion of the Leased Premises is taken which results in damage to Lessee's Improvements but said Improvements can reasonably be restored to a residential use consistent with this lease, then the damage will be treated the same as damage in Section 9.4.1 above and will be repaired and the Improvements restored the same as is provided in Section 9.4.1 above. In such circumstance, any condemnation award will be allocated as follows: First, to the Parties' expenses incurred to collect the Proceeds; Second, to any Permitted Mortgagee to the extent required by the Permitted Mortgagee; Third, to the Lessor for any amounts owed under this Lease as of the date of the payment of the award; and Fourth, the balance to the Lessee.

10. **Transfer or Disposition of Memberships by Lessee's Members.**

10.1 **Transfer and Sale of Memberships**. If a Member desires to sell and transfer his or Membership in the Lessee and cease residing in a Unit at the Leased Premises, the Member may sell and transfer the Membership to a Low-Income Person, as defined above in Section 4.3 and assign to the transferee the transferring Member's interest as lessee in the Proprietary Lease and occupancy rights to the Unit appurtenant to the Membership. A Membership may be transferred or sold only to a Low-Income Person.

10.2 **Pre-requisites for Valid Sale or Transfer**. No sale or transfer of a Membership will be valid unless the parties involved in the transfer fully comply with the following:

10.2.1 The total transfer or sales price does not exceed the amount calculated under Section 10.3 below;

10.2.2 The new Member meets the Low-Income requirements for Membership as required above and in the Bylaws;

10.2.3 The Member and/or the Lessee gives written notice to the Lessor of the proposed transfer including the terms of sale and evidence of the transferee's income-eligibility;

10.2.4 The transfer is approved by Lessee's Board of Directors as provided in the Bylaws;

10.2.5 Prior to transfer of the Membership, the new Member must sign a copy of the Letter of Stipulation and Acknowledgment attached hereto as Exhibit "E;" and

10.2.6 The Proprietary Lease appurtenant to the transferred Membership is assigned by the selling Member to the purchaser of the Membership.

10.3 **Maximum Sale and Transfer Price**. The maximum amount which a Member of Lessee may charge and receive for the transfer or sale of his or her Membership will be the sum of the numbers computed under Sections 10.3.1 and 10.3.2 below. As used below, "Allowed Capital Project" will mean any project performed by the Member and approved by Lessee which requires the Member to spend more than $500 and is an upgrade or improvement to the Member's Unit and/or the Leased Premises.

10.3.1 For the initial Member, $10,000, and for subsequent Members, the purchase price actually paid by the subsequent Member, either increased by three percent (3%) per annum (simple and not compound) commencing when the Member acquired his or her Membership in Lessee and ending on the date or transfer of that Member's Membership in Lessee.

10.3.2 Any funds paid by the Member for materials and costs (including an imputed labor cost for labor performed by said Member), including any funds paid by the Member by way of Special Assessment or otherwise for an Allowed Capital Project consistent with the following provisions:

10.3.2.1 The expenditure is either for a permanent landscape improvement or for a capital improvement to Lessee's Improvements occupied by the Member which results in an upgrade to said Improvements or which extends the usefulness or the useful life of the Improvements, but not including an maintenance or routine repair of the Improvement; any painting, decorating, or similar cosmetic work on or to the Improvement.

10..3.2.2 Before a Member commences work which the Member wishes to claim as an Allowed Capital Project, the Member must provide notice to Lessor and Lessee and request a determination from Lessor and Lessee regarding whether such work is an Allowed Capital Project. Lessor and Lessee will each make such determination in writing in its reasonable discretion.

10.3.2.3 The Member may not obtain any credit for an Allowed Capital Project if that Member transfers his or her Membership in Lessee during the first forty-eight (48) months of this Lease. In addition, for sixty (60) months after completing an Allowed Capital Project, a Member may not obtain credit for more than $3,000 for the Project, but after said period of time may receive credit for the full cost of the Allowed Capital Project.

10.3.2.4 The Lessee and the Member (as the case may be) must keep receipts and actual accurate time records to document the cost of an Allowed Capital Project. For labor performed by the Member on an Allowed Capital Project, the Lessor will determine the value thereof at the time such labor is performed based on the determination by Lessor of how much a homeowner would pay for such work in Lane County, Oregon; provided, however, that at the Member's discretion, in lieu of obtaining a determination of the value of such labor by Lessor, the Member is entitled to claim, as an allowable labor cost, one hundred fifty percent (150%) of the fair market value of the materials consumed and/or used in such labor.

10.3.2.5 Once work on Allowed Capital Project has been completed and after presentation to Lessor and Lessee of such receipts and other documentation as Lessor and Lessee may require, Lessor and Lessee will jointly determine the amount the Member can claim as credit for the Allowed Capital Project for the purposes of this Section 10.3.2 and will issue its determination to the Member in writing.

10.3.2.6 The amount allowed for each Allowed Capital Project as determined in Section 10.3.2.5 above will be increased from the date of completion of said Project through the date of sale of he Member's Membership, based on the percentage increase rate established in Section 10.3.1 above.

10.4 **Disposition of Membership Upon Death of Member**. If a Member dies and his or her Membership in Lessee passes to a child or children, domestic partner or other family member, either by will, trust or intestate succession, said person or persons may acquire the deceased Member's Membership regardless of the income of such person or persons and may reside at the Unit connected with the Membership. Notwithstanding the above, all the income requirements for ownership of a Membership and residence at a Unit remain applicable and the Membership received through inheritance can only be sold or transferred to a person who meets the income requirements set forth herein.

10.5 **Subleasing.** A Member may sublease the Unit appurtenant to his or her Membership only on the following conditions:

10.5.1 Any subtenant must be a low-income person as defined herein whose household income cannot exceed 80% of the Area Median Income for Lane County based on household size.

10.5.2 The Member may not charge any rent, fee, or compensation for the sublease which exceeds the amount paid by that Member to Lessee for rent, assessments, and any other sum related to that Unit.

10.5.3 The subtenant must throughout the period of the subtenancy use the subleased Dwelling unit as his or her permanent residence.

10.5.4 The sublease cannot be for more than one year unless the Member applies for and is granted by the Board an extension for more than one year.

11. **Additional Lessee Covenants**.

11.1 **Fair Housing Laws.** Lessee will comply with all fair housing laws and all other laws and regulations applicable to the operation of housing for low income people.

11.2 **Budget**. For each fiscal year, Lessee will submit to Lessor no later than November 30th of each year a proposed budget for the following year. Each year's budget must include funding of an operating reserve and a replacement reserve in amounts approved by Lessor.

11.3 **Financial Reports.** For every quarter of each year, Lessee will prepare and provide to Lessor financial reports for its operations including a balance sheet and a comparison of actual revenue and expense with budgeted revenue and expense for the year to date. The dates when these reports are to be submitted will be as agreed upon by the Parties from time to time.

11.4 **Minutes of Board and Member Meetings**. When requested by Lessor, Lessee will submit copies to Lessor of Lessee's board and member meetings.

11.5 **Management Contracts.** Lessee will submit to Lessor any proposed contracts for property management. Such a contract will not be binding until Lessor gives written consent to the same.

11.6 **Environmental Matters**.

11.6.1 **Compliance with Environmental Laws**. Lessee will conduct all its activities at the Leased Premises in compliance with all federal, state, and local laws, statutes, regulations, rules, directions, and requirements related to the environment now or hereafter created and any additions or amendments thereto ("Environmental Laws"). Lessee will obtain all permits, license, or approvals and will make all modifications and registrations required by any applicable Environmental Law. Lessee will submit to Lessor copies of all documents, permits, licenses, approvals, manifests, and records required to be submitted and/or maintained

under any Environmental Law. Lessee will promptly provide Lessor with copies of any correspondence, notice of violation, summons, order, complaint, or other document received by Lessee from any federal, state, or local government agency or authority regarding compliance with or enforcement of Environmental Law at the Leased Premises.

11.6.2 **Hazardous Materials**. As used in this Lease, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste as defined in any Environmental Law including but not limited to petroleum products or derivatives, flammables, explosives, radioactive materials, asbestos, radon and polychlorinated biphenyls. Neither Lessee nor any of its agents, contractors, employees, licensees, or invitees will at any time handle, use, manufacture, or store any Hazardous Material on the Leased Premises except in material compliance with all applicable Environmental Laws.

11.6.3 **Indemnification**. Lessee will indemnify, defend, and hold harmless Lessor from and against all and any claims, judgments, causes of action, damages, injuries, penalties, fines, costs, liabilities, losses and expenses arising at any time during or after the Lease term due to the presence, spill, release and/or contamination of or by Hazardous Materials brought onto the Leased Premises by or for Lessee or any of Lessee's agents, contractors, employees, licensees, or invitees. This indemnification will include without limitation damages resulting from diminution in value of the Leased Premises, damages for the loss or restriction on use or rent of the Leased Premises, and sums paid in settlement of claims, attorney fees, consultant fees, and expert fees. Furthermore, this indemnification will include without limitation the cost of any required or necessary repair, remediation, cleanup, removal, restoration work or detoxification, whether or not required by any governmental agency. Lessee will promptly prepare and implement any closure, monitoring or other plan required by any governmental agency. Lessee will also promptly take all actions at its sole expense as are necessary to return the Leased Premises to the condition existing prior to the release of any such Hazardous Material on the Leased Premises. This indemnification will survive the expiration or earlier termination of this Lease.

12. **Default and Remedies**.

12.1 **Events of Default by Lessee**. Lessee agrees that the following will constitute a default or breach by it under this Lease:

12.1.1 Lessee's failure to pay the rent or other sums that are the obligation of Lessee under this Lease when due and such default is not cured within thirty (30) days after Lessor has sent to Lessee written notice of such default. However, if Lessee makes a good faith partial payment of at least two-thirds (2/3rds) of the amounts owed during said 30-day grace period, then such period will be extended for an additional thirty (30) days.

12.1.2 Lessee's failure to perform or observe any other material term or condition in this Lease and such failure is not cured within thirty (30) days after Lessor has sent to Lessee written notice of such default. However, if Lessee has commenced to cure such default and is continuing such cure with all due diligence but cannot reasonably cure such default within

the 30-day grace period, then such period will be extended for an additional thirty (30) days or for as much time as may reasonably be required under the circumstances to complete such cure.

12.1.3 Commencement by any creditor of foreclosure, whether by judicial proceeding, self-help, repossession, or any other method, of Lessee's leasehold interest in the Leased Premises or of Lessee's Improvements or taking of said leasehold interest or Lessee's Improvements by execution or by other process of law.

12.1.4 The insolvency of Lessee or the failure of Lessee to pay debts as such debts become due.

12.1.5 The commencement as to the Lessee of any voluntary or involuntary proceeding under any laws relating to bankruptcy, insolvency, reorganization, arrangement, debt adjustment or debt relief.

12.1.6 Any assignment by Lessee for the benefit of creditors.

12.1.7 Appointment by a court of competent jurisdiction of a receiver to take charge of all or any substantial part of Lessee's property.

12.1.8 Lessee's failure to comply with any order, judgment, injunction, decree, writ or demand of any court or other public authority.

12.2 **Remedies.** Upon occurrence of an Event of Default, Lessor may, immediately or at any time thereafter, terminate this Lease and initiate summary legal proceedings to evict Lessee and collect from Lessee all sums owed to Lessor under this Lease. Pursuant to such proceedings, Lessor may enter into and upon the Leased Premises or any part thereof and repossess the same and expel Lessee and those claiming through or under Lessee and remove them and their property from the Leased Premises without being of any manner of trespass, and without prejudice to any other potential remedies. Upon termination of this Lease and re-entry onto the Leased Premises by Lessor, the Lessee agrees to pay and be liable for any unpaid rent, damages which may be due to or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses, including without limitation attorney fees incurred by Lessee.

12.3 **Rights of Permitted Mortgagee**. If there is a Permitted Mortgagee, a copy of any notice sent under Section 12.1.1 and 12.1.2 must be sent at the same time to the Permitted Mortgagee. At any time thereafter and through such time as the Lessor may determine to terminate this lease, the Permitted Mortgagee will have the right to cure Lessee's default and then, as long the Permitted Mortgagee pays all monthly payments as they become due under this Lease, Lessor will grant Permitted Mortgagee reasonably sufficient time, but no less than one-hundred twenty (120) days to foreclose on its mortgage and acquire or sell, convey, assign, and transfer Lessee's interest in this Lease and the appurtenant Membership, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the

provisions, if any, in said Permitted Mortgage or applicable laws, which may limit the exercise of any such right, remedy or privilege.

12.4 **Lessor's Default**. Lessor will in no event be in default in the performance of any of Lessor's obligations hereunder unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor specifying wherein Lessee has failed to perform any such obligation.

13. **Mediation and Arbitration**.

13.1 **Mediation.** The Parties agree that, should any dispute or grievance arise between Lessor and Lessee concerning any matter under this Lease which cannot be resolved by the Parties, then the Parties will submit to mediation to try to resolve the unsettled issues. The mediation will be conducted under and through the Arbitration Service of Portland, Inc. (the "Service"). The costs of mediation will be split evenly between the Parties. Each Party will be responsible for only its own attorney fees.

13.2 **Arbitration**. If mediation is unsuccessful, then the Parties agree to resolve the issue by means of binding arbitration by a single arbitrator to be conducted under and by the Service. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Discovery may be done subject to the rules of the Service. The arbitrator will be limited to awarding compensatory damages and will have no authority to award punitive, exemplary or similar type damages. The costs of arbitration will be split evenly between the Parties but the prevailing party in the arbitration proceeding will be entitled to recover its reasonable attorney fees in an amount determined by the arbitrator.

14. **Miscellaneous**.

14.1 **Member Compliance**. In the event the Lessee fails to enforce Member compliance with terms and conditions of the Bylaws or the Proprietary Leases with its Members, Lessor may, but is not obligated to, take action, upon at least fourteen (14) days prior notice to Lessee, to enforce such terms and conditions and to obtain compliance by the Members.

14.2 **Notices**. Whenever this Lease requires or allows either Party to give notice to the other or whenever a notice is to be given for any other reason, the notice must be written and delivered in person or emailed and then mailed, by certified mail, return receipt requested, to the Party at the addresses set forth below, or such other address designated by written notice.

<u>If to Lessor</u>:
Square One Villages
15 N. Polk Street
Eugene, OR 97402
Email: info@squareonevillages.org

If to Lessee:
C Street Co-op
1075 C Street
Springfield, OR 97477
Email:_____

All notices will be effective as of the date of personal delivery, upon actual receipt, or as of the date of an email and deposit in the United States mail.

14.3 **No Brokerage**. Lessee warrants and represents that it has not dealt with any real estate or business broker in connection with the consummation of this Lease, and in the event any claim is made against the Lessor relative to the Lessee, Lessee will defend that claim against Lessor with counsel of Lessor's selection and hold harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason o any such action.

14.4 **Severability**. Invalidity or unenforceability of any provision of this Lease will not affect the validity or enforceability of any other provision. If any provision or portion thereof of this Lease is ruled or determined to be invalid under any applicable statute, law, or regulation, it will be deemed stricken and the rest of this Lease will remain in full force and effect. If possible and appropriate, any unenforceable provision within this Lease will be modified to reflect the Parties' original intention.

14.5 **Waiver**. The waiver by Lessor of or the failure of Lessor to take action with respect to a breach of any term, covenant, condition, provision, restriction, or reservation contained herein will not be deemed to be a waiver of such term, covenant, condition, provision, restriction or reservation or subsequent breach of same or of any other term, covenant, condition, provision, restriction or reservation contained herein. Lessor may grant waivers to the terms of this Lease but such must be in writing and signed by the Lessor before being effective. The subsequent acceptance of rent hereunder will not be deemed to be a waiver of any prior breach by Lessee of any term, covenant, condition, provision, restriction or reservation of this Lease, other than the failure of Lessee to pay the particular so accepted regardless of Lessee's knowledge of such prior breach at the time of acceptance of such rent payment.

14.6 **Right to Prosecute or Defend**. Lessor will prosecute or defend, as the case may be, in its own or the Lessee's name, any actions or proceeding appropriate or necessary to the protection of its title to the Leased Premises and Lessee's rights under this Lease.

Whenever requested by Lessor, Lessee will give Lessee all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses or prosecuting or defending such action or proceeding. If Lessor fails or refuses to prosecute or defend, as the case may be, any action or proceeding that Lessee reasonably believes could result in prejudice to

Lessor's ownership to the Leased Premises and/or Lessee's rights under this Lease, Lessee may prosecute or defend such action, as the case may be, in Lessor's name and at Lessor's expense. In such an event, Lessor will cooperate with Lessee.

14.7 **Attorney Fees**. In the event of a dispute arising under or regarding this Lease, the prevailing party will be entitled to its reasonable attorney fees and for expenses incurred, whether in arbitration, court, bankruptcy or elsewhere, in addition to any other relief to which it is entitled.

14.8 **Governing Law**. This Lease will be interpreted in accordance with and governed by the laws of the State of Oregon. Lessor and Lessee agree that Oregon Revised Statutes, Chapter 90, Residential Landlord and Tenant Law, will not apply to terms of this Lease.

14.9 **Construction.** This Lease will not be construed as if it had been prepared by one of the Parties but rather as if both Parties hereto have prepared it. As used in this Agreement, the masculine, feminine and neuter gender and the singular or plural number will each be deemed to include the others whenever the context so indicates or requires. The language in all parts of this Lease will be, in all cases, construed according to its fair meaning and common usage and not strictly for or against Lessor or Lessee. The captions in this Lease are for convenience only and are not part of this Lease and do not in any way limit or amplify the terms, covenants, conditions, provisions, restrictions or reservations of this Lease.

14.10 **Integration and Modification**. This Lease contains the entire understanding of the Parties hereto and supersedes all prior negotiations, either written or oral. This Lease may not be modified except by subsequent agreement in writing signed by the parties hereto.

14.11 **Assignment.** Except as otherwise provided herein, no Party may assign, transfer, or otherwise encumber its interest in this Lease or any part thereof

14.12 **Binding Effect**. All the terms of this Agreement will bind and inure to the benefit of and be enforceable by the Parties hereto and, in accordance with the provisions hereof, their respective successors in interest.

14.13 **Recording of Memorandum**. The Parties agree to execute a Memorandum of this Lease, suitable for recording in the land records of Lane County, Oregon, and Lessee will record the same.

14.14 **Further Documents**. Each Party agrees to execute any further documents and take such further action as is reasonably necessary to carry out the terms of this Lease and cause it to be fully effective.

EXECUTED IN DUPLICATE this ___ of _____, 2021.

LESSOR:

Square One Villages, an Oregon non-profit corporation

_____

By: Dan Bryant, Executive Director

LESSEE:

C Street Cooperative, an Oregon co-operative

_____

By: _____, President

STATE OF OREGON)

)

County of Lane)

This instrument was acknowledged before me on August __, 2021 by Dan Bryant as Executive Director of Square One Villages.

_____

Notary Public for Oregon

STATE OF OREGON)

)

County of Lane)

This instrument was acknowledged before me on August __, 2021 by _____ as President of C Street Co-operative.

_____

Notary Public for Oregon

GROUND LEASE | EXHIBIT “A”

—Leased Premises—

MAP & TAX LOT NUMBER: 17-03-35-14-14702

LEGAL DESCRIPTION:

Beginning at a point on the South line of "C" Street in Springfield, Lane County, Oregon, which said beginning point is 330 feet East of a point on the East line of Tenth Street 967.5 feet North of a point that is 94.57 feet South 40 degrees 40' East from a point 105.2 feet North of the Southwest corner of the Paul Brattain D.L.C. No. 63, in Township 17 South, Range 3 West, of the Willamette Meridian; running thence East along the South line of "C" Street 45 feet; thence South parallel with the East line of Tenth Street 120.2 feet to the North line of the alley running East and West between "B" and "C" Streets; said alley being described in registered title instrument No. 40819, executed by Paul Hadley and Pearl Hadley; thence West along the North line of said alley 45 feet; thence North parallel with the East line of Tenth Street 120.2 feet to the place of beginning.

GROUND LEASE | EXHIBIT “B”

C Street Co-operative
—Bylaws—

GROUND LEASE | EXHIBIT “C”

C Street Co-operative
—Proprietary Lease—

GROUND LEASE | EXHIBIT "D"

C Street Co-operative
—Income Requirements—

For the purposes of this Ground Lease and the Operative Cooperative Documents, a "low income person" is defined as a person or persons who constitute a single household and whose total gross household income does not exceed eighty percent (80%) of the Area Median Income ("AMI") for Lane County, Oregon as published annually by the US Department of Housing and Urban Development.

For 2021, the following are the income limits for "low income" household:

Household Size	**80% AMI (monthly)**	**80% AMI (annually)**
1	$3,325 per month	$39,900 per year
2	$3,800 per month	$45,600 per year
3	$4,275 per month	$51,300 per year

GROUND LEASE | EXHIBIT “E”

C Street Co-operative
—Letter of Stipulation and Acknowledgement—