

EXHIBIT A

604 NE 99th Ave.

Legal Description

The South 60 feet of the North 120 feet of the following described property, in the City of Portland, County of Multnomah and State of Oregon:

Beginning at a point 40 feet North and 207-1/2 feet West of the Southeast corner of the Southwest one-quarter of the Southeast one-quarter of the Northeast one-quarter of Section 33, Township 1 North, Range 2 East of the Willamette Meridian; thence North and parallel with the East line of said tract, 294 feet; thence West 99 feet; thence South 294 feet; thence East to the point of beginning.

EXCEPTING the West 30 feet deeded to the State of Oregon by Deed recorded January 18, 1978, in Book 1235, Page 2027.

Property location

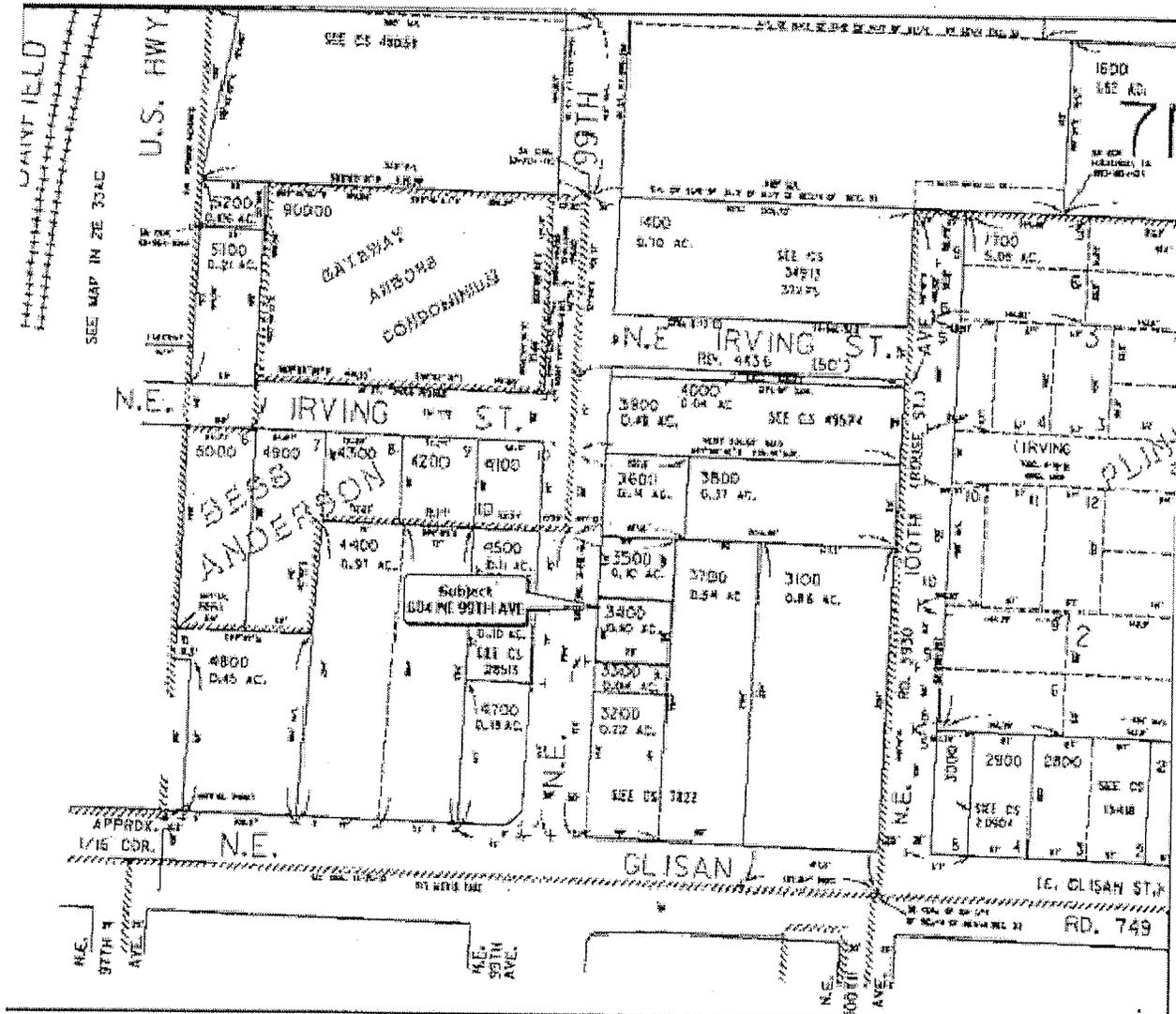


Exhibit B

Consolidated Site Map and Legal Descriptions for Phases 1 and 2

LEGAL DESCRIPTION, PHASE 1

A PORTION OF THAT TRACT OF LAND CONVEYED TO THE CITY OF PORTLAND BY DEED RECORDED IN DOCUMENT NO. 2010-129014, MULTNOMAH COUNTY DEED RECORDS, SITUATED IN THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH, AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 33, BEING A POINT ON THE CENTERLINE OF NE GLISAN ST; THENCE NORTH 00°02'44" EAST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF NE 100TH AVENUE AS PRESENTLY LOCATED (BEING 25 FEET WEST OF CENTERLINE WHEN MEASURED AT RIGHT ANGLES) AND ITS SOUTHERLY EXTENSION, A DISTANCE OF 51.00 FEET; THENCE NORTH 89°53'04" WEST, PARALLEL WITH AND 51.00 FEET NORTH OF CENTERLINE OF SAID NE GLISAN STREET, A DISTANCE OF 10.00' TO THE **TRUE PLACE OF BEGINNING**;

THENCE NORTH 89°53'04" WEST, PARALLEL WITH AND 51.00 FEET NORTH OF CENTERLINE OF SAID NE GLISAN STREET, A DISTANCE OF 197.50 FEET;

THENCE NORTH 00°02'44" EAST, A DISTANCE OF 163.00 FEET;

THENCE NORTH 89°53'26" WEST A DISTANCE OF 45.01 FEET;

THENCE SOUTH 00°03'54" WEST, A DISTANCE OF 28.42 FEET TO A POINT OF CURVE;

THENCE ALONG A 4.50 FOOT RADIUS CURVE CONCAVE TO THE NORTHEAST, THROUGH A CENTRAL ANGLE OF 90°02'44" (CHORD BEARS SOUTH 44°58'38" WEST, A DISTANCE OF 6.37 FEET) AN ARC DISTANCE OF 7.07 FEET TO A POINT OF TANGENCY;

THENCE NORTH 90°00'00" EAST, A DISTANCE OF 19.50 FEET;

THENCE NORTH 45°00'00" EAST, A DISTANCE OF 14.86 FEET;

THENCE NORTH 00°01'20" EAST, A DISTANCE OF 66.82 FEET;

THENCE NORTH 90°00'00" EAST, A DISTANCE OF 118.03 FEET TO A POINT THAT IS 35.00 FEET WEST OF CENTERLINE OF SAID 100TH AVENUE;

THENCE SOUTH 00°02'44" WEST, PARALLEL WITH AND 35.00 FEET WEST OF CENTERLINE OF SAID 100TH AVENUE, A DISTANCE OF 207.89 FEET TO THE **TRUE PLACE OF BEGINNING**;

CONTAINING 36,412 SQUARE FEET;

Exhibit B

Consolidated Site Map and Legal Descriptions for Phases 1 and 2

LEGAL DESCRIPTION, PHASE 2

A PORTION OF THAT TRACT OF LAND CONVEYED TO THE CITY OF PORTLAND BY DEED RECORDED IN DOCUMENT NO. 2010-129014, MULTNOMAH COUNTY DEED RECORDS, AND A PORTION OF THAT TRACT OF LAND CONVEYED TO NECULAI AND LUCRETIA PANAITI BY DEED RECORDED IN DOCUMENT NO. 95-108275, MULTNOMAH COUNTY DEED RECORDS, SITUATED IN THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH, AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 33, BEING A POINT ON THE CENTERLINE OF NE GLISAN ST; THENCE NORTH 00°02'44" EAST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF NE 100TH AVENUE AS PRESENTLY LOCATED (BEING 25 FEET WEST OF CENTERLINE WHEN MEASURED AT RIGHT ANGLES) AND ITS SOUTHERLY EXTENSION, A DISTANCE OF 334.00 FEET; THENCE NORTH 89°53'04" WEST, A DISTANCE OF 10.00' TO THE **TRUE PLACE OF BEGINNING**;

THENCE CONTINUING NORTH 89°53'04" WEST, A DISTANCE OF 255.89 FEET TO A POINT THAT IS 41.00 FEET EAST OF CENTERLINE OF NE 99TH AVENUE;

THENCE SOUTH 00°02'44" WEST, PARALLEL WITH AND 41.00 FEET EAST OF SAID CENTERLINE OF NE 99TH AVENUE, A DISTANCE OF 120.00 FEET;

THENCE SOUTH 89°53'04" EAST, A DISTANCE OF 58.39 FEET;

THENCE NORTH 89°53'26" WEST A DISTANCE OF 45.01 FEET;

THENCE SOUTH 00°03'54" WEST, A DISTANCE OF 28.42 FEET TO A POINT OF CURVE;

THENCE ALONG A 4.50 FOOT RADIUS CURVE CONCAVE TO THE NORTHEAST, THROUGH A CENTRAL ANGLE OF 90°02'44" (CHORD BEARS SOUTH 44°58'38" WEST, A DISTANCE OF 6.37 FEET) AN ARC DISTANCE OF 7.07 FEET TO A POINT OF TANGENCY;

THENCE NORTH 90°00'00" EAST, A DISTANCE OF 19.50 FEET;

THENCE NORTH 45°00'00" EAST, A DISTANCE OF 14.86 FEET;

THENCE NORTH 00°01'20" EAST, A DISTANCE OF 66.82 FEET;

THENCE NORTH 90°00'00" EAST, A DISTANCE OF 118.03 FEET TO A POINT THAT IS 35.00 FEET WEST OF CENTERLINE OF SAID 100TH AVENUE;

THENCE NORTH 00°02'44" EAST, PARALLEL WITH AND 35.00 FEET WEST OF CENTERLINE OF SAID 100TH AVENUE, A DISTANCE OF 207.89 FEET TO THE **TRUE PLACE OF BEGINNING**;

CONTAINING 26,487 SQUARE FEET;

Exhibit C

GROUND LEASE

BETWEEN

CITY OF PORTLAND, acting by and through the Portland Housing Bureau
(Landlord)

and

GLISAN COMMONS PHASE I LIMITED PARTNERSHIP
(Tenant)

GROUND LEASE

This GROUND LEASE ("Lease") dated as of the ____ day of _____, 2012, is by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the Portland Housing Bureau ("Landlord") and the GLISAN COMMONS PHASE I LIMITED PARTNERSHIP, an Oregon limited partnership ("Tenant").

P R E A M B L E:

A. Landlord owns that certain real property situated in the County of Multnomah, Oregon, legally described on Exhibit A hereto (the "Premises"). There is an existing one story wood frame building (the "Existing Improvements") located on the Premises that will be demolished prior to the start of construction of the Improvements (as defined in Section 2.1).

B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises for a period of ninety-nine (99) years pursuant to the terms of this Lease.

C. Landlord owns certain real property situated adjacent to the Premises which is legally described on Exhibit B hereto (the "Phase 2 Premises"). Landlord intends to lease the Phase 2 Premises to REACH Community Development, Inc. or an affiliate to construct, develop and operate a 60 unit affordable housing project for seniors (the "Phase 2 Improvements").

D. Upon construction of the Improvements, Tenant intends to submit Tenant's leasehold interest in the Premises to a condominium regime (the "Condominium") under the Oregon Condominium Act. The Condominium will be comprised of two condominium units - a residential unit containing 67 dwelling units and associated improvements (the "Residential Unit"), and a commercial unit containing approximately 16,000 square feet of commercial space (the "Commercial Unit") - and certain general common elements and limited common elements, including an exterior pedestrian plaza, parking spaces, and landscaping. Upon formation of the Condominium, Tenant intends to convey the Commercial Unit to Ride Connection, Inc., an Oregon nonprofit corporation, or an affiliate thereof (in either case, "Ride Connection"), at which point Tenant and Ride Connection will execute and deliver a Partial Assignment of Lease (the "Lease Assignment"), pursuant to which Ride Connection will assume from Tenant all that portion of Tenant's interest in this Lease and the Premises and Improvements attributable to ownership of the Commercial Unit. Subsequent to the Lease Assignment, the term "Tenant" will refer to the owner of the Residential Unit (the "Residential Unit Owner") and the owner of the Commercial Unit (the "Commercial Unit Owner"), each individually and only relating to each unit owner's ownership of its respective unit. Jointly, the Residential Unit Owner and the Commercial Unit Owner shall sometimes be referred to in this Lease as "Unit Owners."

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of Landlord and Tenant set forth in the Lease, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

ARTICLE 1
THE LEASE

Section 1.1 Leased Premises. Subject to the terms and conditions hereof, Landlord hereby leases to Tenant the Premises.

Section 1.2 Term. The term of this Lease shall commence as of _____, 2012 (the "Commencement Date"), and unless sooner terminated pursuant to the provisions hereof, this Lease shall continue in full force and effect for a term ("Term") expiring on December 31, 2111.

Section 1.3 Use. Tenant shall use the Premises solely for the development, construction and operation of a mixed use building containing approximately 67 units of housing for occupancy by low-income persons and the construction of approximately 16,000 square feet of commercial space that the parties intend will be conveyed to Commercial Unit Owner upon formation of the Condominium (the "Project"). The obligations of Tenant to develop and operate the Project are set forth in that certain Development Agreement dated _____, 2012 by and between Landlord and Tenant (the "Development Agreement") until such time as a Certificate of Completion is recorded with respect to the Development Agreement, after which recordation the Development Agreement shall no longer affect the Project (except for the following indemnity obligations that the parties agree are applicable solely to Tenant: Section 6.4.2 (Indemnity From Liability Claims, Section 6.4.3 (Indemnity From Liens), and Section 9.4 (Environmental Indemnification)). If there is a conflict between the terms of the Development Agreement and the terms of this Lease, the terms of the Development Agreement shall control for so long as the Development Agreement affects the Project.

Section 1.4 Fixed Rent. Tenant covenants to pay to Landlord, at 421 SW 6th Ave., Suite 500, Portland, OR 97204, or at such other address as Landlord shall specify from time to time, rent in the amount of \$1 per year, payable on or before January 1 of each year during the term of this Lease, commencing January 1, 2013 (the "Rent"). Landlord and Tenant hereby acknowledge that the Rent for the entire Term of this Lease has been prepaid as of the date hereof.

Section 1.5 Tenant Taking Premises "As-Is-Where-Is". Tenant acknowledges (i) that Tenant has entered into this Lease with the intention of making and relying upon its own investigation of the physical, structural and environmental condition of the Premises, and (ii) that Landlord is not making and has not at any time made any representation or warranty of any kind or nature, either oral or written, directly or indirectly, expressed, implied, statutory or otherwise, with respect to the Premises. Based on Tenant's familiarity with the Premises, Tenant's due diligence relating to the Premises and Tenant's experience and knowledge as to the market in which the Premises are situated and as to the investment in and operation of real estate in the nature of the Premises and commercial real estate in general, Tenant will take the Premises on the Commencement Date in its "AS IS, WHERE IS AND WITH ALL FAULTS" condition, with existing streets and street improvements, and without any representation or warranty whatsoever. Tenant fully assumes the risk that adverse latent or patent physical, structural, or environmental conditions may not have been revealed by Tenant's investigations. Landlord and Tenant acknowledge that the Rent has taken into account the provisions of this Section 1.5.

Section 1.6 Regulatory Authority. Nothing in this Lease shall obligate the City of Portland or any of its agencies with respect to any discretionary or regulatory action relating to development or operation of the Project, including, but not limited to, rezoning, variances, environmental clearances, regulatory plan reviews, code compliance or any other governmental agency approvals or regulatory actions which are or may be required or authorized.

ARTICLE 2 THE IMPROVEMENTS

Section 2.1 Construction. Subject to the terms of this Lease, Tenant shall have the right to demolish the Existing Improvements and develop and construct such improvements on the Premises as Tenant shall determine necessary for the proper and efficient operation of Tenant's use of the Premises as set forth in Section 1.3 herein (the "Improvements") and to thereafter convey the portion of the Improvements comprising the Commercial Unit to Commercial Unit Owner. If this Lease is terminated prior to the completion of the Improvements, or if construction of the Improvements is abandoned for any reason, and Ride Connection or a Leasehold Mortgagee (as such term is defined in Section 7.1 below) does not exercise the rights pursuant to Article 7 or Section 11.5, Tenant shall be responsible for and shall bear all costs of removing all structures and debris from the Premises and then surrendering possession of the Premises to Landlord.

Section 2.2 Permits, Licenses and Easements.

2.2.1 All building permits and other permits, licenses, permissions, consents, and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Improvements and any subsequent improvements, repairs, replacements, or renewals to the Improvements shall be acquired as required by applicable laws, ordinances, or regulations by and at the sole cost and expense of Tenant. Tenant shall cause all work on the Premises during the Term to be performed in accordance with all applicable laws and all directions and regulations of all governmental agencies and representatives of such agencies having jurisdiction.

2.2.2 Landlord agrees, at no expense to Landlord and solely to the extent of its powers and authority as the Portland Housing Bureau, to use Landlord's reasonable efforts to assist Tenant in obtaining any and all permits, licenses, easements and other authorizations required by any governmental authority having jurisdiction over the Premises, with respect to any construction or other work to be performed on the Premises.

2.2.3 Landlord agrees, at no expense to Landlord, to grant Tenant easements on, over and through the Phase 2 Premises to construct, maintain and use certain common facilities, including, but not limited to, utility installations, access features, landscaping, pedestrian plaza and parking. Tenant agrees to grant the lessee of the Phase 2 Premises reasonable use of any common facilities on the Premises necessary for the operation of the Phase 2 Improvements, including, but not limited to, utility installations, access features, landscaping and pedestrian plaza. A condition to effectiveness of any grant by the Tenant to the lessee of the Phase 2 Premises of reasonable use of any common facilities on the Premises is the lessee of the Phase 2 Premises and the Landlord granting a reciprocal right to use the common facilities of Phase 2 Premises and Phase 2 Improvements to Tenant and the owner of the Commercial Unit and its sublessees and invitees. Such easements shall be documented in a reciprocal easement agreement by and between Landlord and Tenant.

2.2.4 During the term of the construction and development of the Project, but in no event longer than 24 months from the Commencement Date, Tenant shall have the right to enter onto the Phase 2 Premises to facilitate the development of the Improvements, provided that Tenant shall repair any damage to the Phase 2 Premises as a direct result of such access.

Section 2.3 Ownership of Improvements. Landlord acknowledges and agrees that: (i) from the date of this Lease until the establishment of the condominium regime as contemplated by Section 2.4 below, the Improvements, including all additions, alterations and improvements thereto or replacements thereof and all appurtenants thereto, fixtures, machinery and equipment installed on the Premises shall be owned solely by Tenant; (ii) from and after the establishment of the condominium regime as contemplated by Section 2.4 below, the Improvements, including all additions, alterations and improvements thereto or replacements thereof and all appurtenants thereto, fixtures, machinery and equipment installed on the Premises, shall be owned by the Unit Owners; (iii) following conveyance of the Commercial Unit to Commercial Unit Owner the Commercial Unit shall be owned solely by Commercial Unit Owner and the Residential Unit shall be owned solely by Residential Unit Owner. During the Term and for the tax years during which the Term begins, and until the establishment of the condominium regime as contemplated by Section 2.4 below, Tenant shall be entitled to any and all tax attributes of ownership of the Improvements. From and after the establishment of the condominium regime as contemplated by Section 2.4 below, Residential Unit Owner and Commercial Unit Owner, as the case may be, shall be entitled to any and all tax attributes of ownership of the such Unit Owner's Unit, including, without limitation, the right to claim depreciation or cost recovery deductions, the right (with respect to the Residential Unit) to claim the low-income housing tax credit described in Section 42 of the Internal Revenue Code of 1986, as amended, and the right to amortize all capital costs and to claim any and all other federal or state tax benefits attributable to the Improvements. At the expiration or earlier termination of this Lease, the Improvements, additions, alterations, and improvements thereon and thereto or replacements thereof, and all appurtenant

fixtures, machinery, and equipment installed therein, shall, at the option of Landlord, be either removed by Tenant within a reasonable time determined by Landlord pursuant to written notice to Tenant, but in no event to exceed 180 days from the date of such notice, or remain and become the property of Landlord.

Section 2.4 Condominium Regime. Landlord acknowledges and agrees that Tenant intends to subject Tenant's leasehold interest in the Premises to a condominium regime, as described in Recital D of the Preamble above, and to convey the Commercial Unit to Commercial Unit Owner and assign to Commercial Unit Owner that portion of Tenant's interest in this Lease and the interest in the Premises attributable to the Commercial Unit. The declaration, bylaws and all other documents to be recorded for the Condominium (the "Condominium Documents") shall be substantially in the form agreed upon by Landlord and Tenant prior to recording. The Condominium will be administered and managed by an association (the "Condominium Association") made up of the Residential Unit Owner and the Commercial Unit Owner. Subject to Landlord's prior written approval of the Condominium Documents, Landlord hereby agrees to the recording of the Condominium, at the sole expense of Tenant, and shall provide such written consents as are necessary to the recording of the Condominium.

Landlord and Tenant hereby agree that, upon recordation of the Condominium in the real property records of Multnomah County and conveyance of the Commercial Unit to Commercial Unit Owner and execution and delivery of the Lease Assignment by Tenant and Commercial Unit Owner, the terms "Premises" and "Project" as used in this Lease as used with respect to the Residential Unit's interest in this Lease shall mean only the Residential Unit and the Residential Unit's undivided ownership interest in the general common elements and limited common elements associated with the Residential Unit, and the term "Improvements" shall mean only those Improvements comprising the Residential Unit and Residential Unit's undivided ownership interest in the general common elements and limited common elements associated with the Residential Unit. The parties further acknowledge and agree that, once the Condominium is recorded and the Commercial Unit is conveyed to Commercial Unit Owner and the Lease Assignment is executed and delivered, Tenant shall have no obligations under this Lease or the Development Agreement (to the extent, if any, that the Development Agreement is then still applicable to the Project) with respect to the Commercial Unit.

Similarly, Landlord hereby agrees that, upon execution and delivery of the Lease Assignment by Tenant and Commercial Unit Owner, the terms "Premises" and "Project" as used with respect to Commercial Unit Owner's interest in this Lease shall mean only the Commercial Unit and the Commercial Unit's undivided ownership interest in the general common elements and limited common elements associated with the Commercial Unit, and the term "Improvements" shall mean only those Improvements comprising the Commercial Unit and the Commercial Unit's undivided ownership interest in the general common elements and limited common elements associated with the Commercial Unit. Landlord further acknowledges and agrees that, once the Commercial Unit is conveyed to Commercial Unit Owner and the Lease Assignment is executed and delivered, Commercial Unit Owner shall have no obligations under this Lease or the Development Agreement (to the extent, if any, that the Development Agreement is then still applicable to the Project) with respect to the Residential Unit.

ARTICLE 3 LIENS

Section 3.1 Liens Against Landlord's Fee Interest. Except as otherwise provided herein, Tenant shall not have any right, authority or power to bind Landlord, Landlord's estate or other assets or any interest of Landlord in the Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the development, construction or operation of the Premises, Project and Improvements or any change, alteration or addition thereto.

3.1.1 Landlord expressly acknowledges that Tenant's development of the Premises may require the recording of utility easements and other customary easements necessary and incidental to the development, construction and operation of the Improvements. Subject to Landlord's prior review and written approval, which shall not be unreasonably withheld or delayed, Landlord hereby agrees to the recording of such easements on the Premises, at the sole expense of Tenant, as are required for the

development and operation of the Improvements and shall provide such written consents as are necessary to the recording of such easements, provided that such easements are in locations on the Premises reasonably satisfactory to Landlord.

3.1.2 Landlord expressly acknowledges that Tenant will be obtaining financing for the development and operation of the Premises from a variety of private and governmental funding sources and that such financing may require restrictive covenants or regulatory agreements (collectively, "Restrictive Covenant") to be recorded not only against Tenant's leasehold interest, but also against Landlord's fee interest. Subject to Landlord's prior review and written approval, which shall not be unreasonably withheld or delayed, Landlord hereby agrees to the recording, at Tenant's sole expense, of any Restrictive Covenant as is required for the development and operation of the Improvements including, but not limited to, covenants and regulatory agreements required by the State of Oregon, acting by and through its Housing and Community Services Department ("OHCS"), at Tenant's sole expense, and shall provide such written consents as are necessary to the recording of any Restrictive Covenant.

3.1.3 Landlord expressly acknowledges that Tenant will be entering into leases with low income households for rental of the Improvements on the Premises. Landlord further expressly acknowledges that Ride Connection or affiliates of Ride Connection will be entering into leases of portions of the Commercial Unit with transportation providers.

Section 3.2 Liens Against Tenant's Leasehold Interest. Landlord acknowledges that Tenant will be obtaining financing for the development and operation of the Premises from a variety of private and governmental funding sources, that such financing shall require Tenant to provide security interests in its leasehold interest in the Premises and that such financing sources will further require Tenant to enter into various regulatory and other agreements restricting the use of the Premises to the uses set forth in Section 1.3. Tenant may encumber its leasehold interest in the Premises for the purposes of such financing and Landlord hereby expressly agrees and consents to Tenant entering into such financing arrangements and the resulting encumbrances of Tenant's leasehold interests in the Premises, provided that such financing arrangements and resulting encumbrances shall be subject to the terms of this Lease and shall not affect Landlord's rights or increase Landlord's duties or obligations under this Lease. Tenant may, after the initial development of the Project, obtain additional financing (or refinancing) provided that such financing complies with the provisions of this Section 3.2.

Section 3.3 Mechanics' Liens. Tenant agrees that it will not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against Landlord's fee simple interest in the Premises for work or materials furnished to Tenant in connection with any construction, improvements, maintenance, or repair thereof made by Tenant or its agents upon the Premises. Tenant shall cause any such claim or lien to be fully discharged within sixty (60) days after the date of filing thereof; provided, however, that in the event Tenant, in good faith, disputes the validity or amount of any such claim of lien, and if Tenant shall give to Landlord such security as Landlord may reasonably require to ensure payment thereof and prevent any sale, foreclosure, or forfeiture of the Premises or any portion thereof by reason of such nonpayment, Tenant shall not be deemed to be in breach of this Section 3.3, so long as Tenant is diligently pursuing a resolution of such dispute. Upon entry of final judgment resolving the dispute, if litigation or arbitration results therefrom, Tenant shall discharge said lien within thirty (30) days.

Section 3.4 Ride Connection Financing. Landlord acknowledges that Ride Connection or an affiliate of Ride Connection (as owner of the Commercial Unit) may be obtaining financing for the development and operation of the Commercial Unit from a variety of private and governmental funding sources, that such financing shall require Commercial Unit Owner to provide security interests in its fee interest in the Commercial Unit and that such financing sources may further require Commercial Unit Owner to enter into various regulatory and other agreements restricting the use of the Commercial Unit. Commercial Unit Owner may encumber its fee interest in the Commercial Unit for the purposes of such financing and Landlord hereby expressly agrees and consents to Commercial Unit Owner entering into such financing arrangements and the resulting encumbrances of the Commercial Unit, provided that such financing arrangements and resulting encumbrances shall be subject to the

terms of this Lease and shall not affect Landlord's rights or increase Landlord's duties or obligations under this Lease. Commercial Unit Owner may, after the initial development of the Commercial Unit, obtain additional financing (or refinancing) provided that such financing complies with the provisions of this Section 3.4.

ARTICLE 4
TAXES; UTILITIES

Section 4.1 Payment of Taxes. Tenant shall pay before they become delinquent all real property taxes assessed or levied against the Premises and Improvements. Tenant shall also pay all personal property taxes assessed or levied against the equipment, machinery, fixtures, furniture, and furnishings thereon and any and all other charges, fees or costs imposed by any governmental or quasi-governmental entity or utility. Tenant shall have the right in good faith, in a proper procedural manner, and at its sole cost, to contest and resist any taxes or assessments or other dispositions levied against or imposed upon the Premises and Improvements. Tenant shall defend and indemnify Landlord from any and all taxes incurred during the term of this Lease.

Section 4.2 Utilities. Tenant shall arrange for and pay before they become delinquent all charges for utility services furnished to the Premises including, but not limited to, electricity, gas, water, sewer, telephone and trash collection charges. Landlord shall have no responsibility for the payment of these utility costs. Tenant shall defend and indemnify Landlord from any and all such charges incurred during the term of this Lease.

ARTICLE 5
INSURANCE

Section 5.1 Tenant's Insurance. During the Term, Tenant shall keep and maintain in force or cause to be kept by the Condominium Association, at no cost or expense to Landlord, the following insurance, all of which shall be provided by companies and/or agencies licensed to do business in the State of Oregon:

5.1.1 Premises Insurance. "All risk" insurance covering all risks of physical loss or damage to any of the Improvements, with liability limits of not less than one hundred percent (100%) of the "full replacement value" thereof. Such policies shall be broad form and shall include, but shall not be limited to, coverage for fire, extended coverage, vandalism, malicious mischief and storm.

5.1.2 Public Liability Insurance. Comprehensive general public liability and automobile liability insurance, covering loss or damage resulting from accidents or occurrences on or about or in connection with the Improvements or any work, matters or things under, or in connection with, or related to this Lease, with personal injury, death and property damage combined single limit liability of not less than Two Million Dollars (\$2,000,000) for each accident or occurrence, which limit shall be increased as necessary to maintain a similar level of coverage provided on the Commencement Date. Coverage under any such comprehensive policy shall be broad form and shall include, but shall not be limited to, operations, contractual, elevators, owner's and contractor's protective, products and completed operations, and the use of all owned, non owned and hired vehicles. Comprehensive general public liability insurance shall name Landlord as an additional insured.

Section 5.2 General Requirements. All policies described in Section 5.1 shall include Landlord and Tenant, together with any Leasehold Mortgagees, as named insureds, as their respective interests may appear. All policies described in Section 5.1 shall contain: (a) the agreement of the insurer to give the Landlord and each Leasehold Mortgagee, as applicable, at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (b) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the Tenant or Landlord; (c) a provision that no act or omission of the Tenant shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; (d) a waiver by the insurer of all rights of subrogation against the Landlord and its authorized parties in connection with any loss or damage thereby insured against; and (e) terms providing that any loss covered by such insurance shall be adjusted with the Landlord and Tenant, but shall, to the extent

required by the loan documents of any leasehold mortgage, be payable to the holder of any leasehold mortgage, who shall agree to receive and disburse all proceeds of such insurance, subject to the duty of the Tenant to repair or restore the Improvements.

Section 5.3 Evidence of Insurance. Certificates of insurance for all insurance required to be maintained by Tenant under this Article 5 shall be furnished by Tenant to Landlord.

ARTICLE 6 MAINTENANCE AND ALTERATIONS

Section 6.1 Maintenance of Leased Premises. During the Term, at Tenant's sole cost and expense, Tenant shall keep and maintain the Premises, the Project, all Improvements, and all appurtenances thereunto belonging, in good and safe order, condition and repair. Tenant shall be responsible for any repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, necessary to maintain the Premises and the Improvements thereon. At Tenant's own expense, Tenant shall keep and maintain the Premises in compliance with all applicable laws, rules, regulations and ordinances of all federal, state, county, municipal and other public authorities having or claiming jurisdiction. Additionally, Tenant shall protect against and refrain from creating or allowing the creation of a recognized hazardous environmental condition. During the Term, Tenant, at Tenant's sole cost and expense, shall take all actions necessary to eliminate, remove, remediate or otherwise clean up any recognized hazardous environmental condition.

Section 6.2 Alterations to Leased Premises. Subject to the permitted uses of the Premises set forth in Section 1.3 and the restriction on the use of financing proceeds set forth in Section 3.2, Tenant may make any additions, alterations or changes in or to the Improvements.

Section 6.3 Prohibited Uses of Leased Premises. In addition to any other prohibitions or limitations on Tenant's use of the Premises contained in the Lease, Tenant shall not: i) use the Premises in any illegal manner; ii) create any damage, nuisance or waste to the Premises, including any objectionable noise, vibration, or odor to be emitted or escape from the Premises, or cause defacement or injury of the improvements, including impairment of their strength or durability; iii) cause damage or injury to nearby properties or property owners; iv) create any condition which would constitute a fire or environmental hazard, or be dangerous to persons or property; v) sell any alcoholic beverages or alcoholic liquors on the Premises excepting upon Landlord's prior written consent and pursuant to the limitations of state issued permit(s) or license(s); vi) sell any controlled substances on or about the Premises; vii) store gasoline or other highly combustible materials on the Premises except for commercially reasonable amounts of gasoline or fuel for yard equipment; viii) permit the sale of any pornographic material on the Premises; ix) permit any cash, credit card, or coin-operated novelty or gaming machines on the Premises without the prior written consent of Landlord; x) permit the use of the Premises for a second-hand store, pawnshop, or for conducting auction, distress or fire sale, or bankruptcy or going-out-of-business sale or the like; xi) maintain disabled vehicles, or engage in automotive repair or maintenance on parking lots, in garages, or elsewhere on the Premises; xii) operate a mortuary, funeral parlor or home or similar service establishment on the Premises; xiii) allow any industrial use or processing or rendering use on the Premises; or xiv) operate any facility for the dumping, disposing, incinerating or reducing of garbage on the Premises.

ARTICLE 7 PERMITTED MORTGAGES

Section 7.1 Leasehold Mortgage Provisions. Tenant and Ride Connection (the latter solely in its capacity as the prospective purchaser and intended owner of the Commercial Unit) intend that the development of the Improvements be financed with various public and private debt and/or grants, including but not limited to a loan from Landlord ("Subordinate Lender"); a loan from Bank of America, N.A; and a loan from Network For Oregon Affordable Housing ("NOAH"), all of which in their capacities as such lenders are referred to collectively herein as "Lenders." For purposes of this Lease, a "Leasehold Mortgage" is any mortgage, deed of

trust, security agreement or collateral assignment in favor of Bank of America, N.A. and NOAH, any assignees or successor thereof that are Institutional Lenders and any other mortgages, deeds of trust, security agreements or collateral assignments permitted by Landlord hereunder encumbering either (a) Tenant's leasehold interest in the Premises or (b) an owner's interest in the Residential Unit or Commercial Unit. A "Leasehold Mortgagee" is a holder of a Leasehold Mortgage. For purposes hereof an "Institutional Lender" shall mean and entity that is a commercial bank, savings bank, savings and loan institution, insurance company, pension fund, investment bank, opportunity fund, mortgage conduit, real estate investment trust, commercial finance lender or other similar financial institution which ordinarily engages in the business of making, holding or servicing commercial (including multi-family residential) real estate loans, including any Affiliate thereof. Any Leasehold Mortgagee or designee thereof that acquires title the leasehold estate or any part thereof, any person that acquires title to the leasehold estate through any judicial or nonjudicial foreclosure sale, deed or assignment in lieu thereof, or any sale or transfer made under any order of any court to satisfy wholly or in part obligations secured by any Leasehold Mortgage, and the successors and assigns of any such Leasehold Mortgagee, is referred to as a "Transferee". Each Leasehold Mortgagee and Transferee is an intended beneficiary of the terms of this Lease.

Section 7.2 Leasehold Mortgages and Transfers Authorized. Landlord acknowledges that Tenant's financing for the Project will require Tenant to provide security interests in Tenant's leasehold interest in the Premises, and its interests in the Improvements, Landlord acknowledges that Ride Connection's financing for the Commercial Unit will require Ride Connection or its affiliate to provide security interests in its fee interest in the Commercial Unit (such security interests, and any assignments of rents, issues or profits derived from the ownership, use or operation of the Improvements approved by Landlord, shall also be considered Leasehold Mortgages). For the purposes of this Article 7, "Tenant" shall refer to both Tenant and Ride Connection if and when Ride Connection becomes the owner of the Commercial Unit, as applicable in the context in which such term is used. Foreclosure of any Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Leasehold Mortgage, or any conveyance of the leasehold estate hereunder or any part thereof and Tenant's interest in the Improvements and other rights hereunder, or any part thereof, to any Leasehold Mortgagee or other person through, or in lieu of, foreclosure, trustee's sale or other proceedings in the nature thereof, shall not require the consent of Landlord or constitute a breach of any provision of or a default under the Lease, and upon such foreclosure, sale or conveyance Landlord shall recognize the purchaser or other direct or indirect transferee in connection therewith as the Tenant hereunder to the extent of the interest so transferred. The preceding sentence notwithstanding, each Leasehold Mortgagee acknowledges that Landlord has agreed to enter into this Lease because Tenant has unique experience and qualification to perform under the Lease and that, before completing any foreclosure proceeding or any sale or transfer of Tenant's leasehold interest in the Premises, it will notify Landlord and will cooperate with Landlord in good faith for a reasonable period of time to reach a solution that would prevent foreclosure or to ensure that the potential transferee has the requisite experience and qualification to perform under the Lease.

Section 7.3 Notice to Leasehold Mortgagee. During any period in which a Leasehold Mortgage is in place, Landlord shall give each Leasehold Mortgagee at the address set forth in this Lease or at the last address of such Leasehold Mortgagee provided in a written notice to Landlord pursuant to the terms hereof, a duplicate copy of all notices of default or other notices that Landlord may give to or serve in writing upon Tenant pursuant to the terms of the Lease, at the same time as such notice is given to or served upon Tenant, provided that such notice shall be duly given when sent to the Leasehold Mortgagee at the notice address set forth herein (or the last address of such Leasehold Mortgagee provided in a written notice to Landlord pursuant to the terms hereof), by US Mail, registered, return receipt requested or by a recognized overnight commercial delivery service; and provided, further, that the failure of Landlord to send a copy of such notice to Leasehold Mortgagee shall not subject Landlord to any liability hereunder. The address of the Leasehold Mortgagee originally designated in the Leasehold Mortgage may be changed upon written notice delivered to Landlord.

Section 7.4 Right of Leasehold Mortgagee to Cure. Any Leasehold Mortgagee, at its option at any time within thirty (30) days, or such longer period as may be applicable as provided below, following the expiration of the right of Tenant to cure any default under the Lease, may pay any amount or do any act or thing required of Tenant by the terms of the Lease. Payments made and acts performed by such Leasehold Mortgagee within such thirty (30) day period, or such longer period as may be applicable as provided below, shall be effective to

prevent a termination of the rights of Tenant hereunder, if such payments and acts conform to the terms of such notice from Landlord or if, together with any performance by Tenant or any other person with any cure rights, they are sufficient, except as to timing, to exercise the Tenant's right to cure that so expired, but in order to prevent termination of the Lease, a Leasehold Mortgagee shall not be required to cure (A) default on obligations of Tenant to satisfy or otherwise discharge any lien, charge, or encumbrance against Tenant's interest in the Lease caused by a wrongful act of Tenant; or (B) defaults on obligations of Tenant under any indemnity provision in this Lease arising from acts or omissions of Tenant; or (C) other past monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee (it being understood that the lack of funds of the Tenant or the Leasehold Mortgagee shall not excuse performance by Tenant or Leasehold Mortgagee); or (D) any default resulting from the acts or omissions of the Landlord ("**Excluded Defaults**"). For purposes of clarification and illustration, it is the intention of the parties hereto that Excluded Defaults shall include (but not as an exclusive list) claims, damages, liability and expenses, including personal injury and property damage arising or alleged to be arising from actions or inactions of Tenant such as failure to pay insurance premiums, allowing dangerous conditions to exist at the Premises or failure to operate the Premises in accordance with regulatory restrictions. Accordingly, in such event Leasehold Mortgagee shall not be required to cure such Excluded Defaults to avoid termination of the Lease, but Leasehold Mortgagee would be required to remediate, ameliorate, or eliminate such continuing conditions to Landlord's reasonable satisfaction to avoid such termination. If the default by Tenant is of such nature that it cannot practicably be cured without possession of the Premises, then the thirty-day period set forth above shall be extended for so long as a Leasehold Mortgagee shall be proceeding with reasonable diligence to foreclose on the Tenant's interest or otherwise obtain possession of the Premises for itself or a receiver.

Prior to the expiration of the cure rights of Leasehold Mortgagees, the Landlord shall not effect or cause any purported termination of the Lease nor take any action to deny Tenant or any subtenant possession, occupancy, or quiet enjoyment of the Premises or any part thereof.

Without limiting the rights of Leasehold Mortgagees as stated above, and whether or not there shall be any notice of default hereunder, each Leasehold Mortgagee shall have the right, but not the obligation, at any time prior to termination of the Lease to pay all of the rent due hereunder, with all due interest and late charges, to procure any insurance, to pay any taxes or assessments, to make any repairs or improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of the Lease. Any Leasehold Mortgagee and its agents and contractors shall have full access to the Premises for purposes of accomplishing any of the foregoing. Any of the foregoing done by any Leasehold Mortgagee shall be as effective to prevent a termination of the Lease as the same would have been if done by Tenant.

Section 7.5 Right to New Lease. If the Lease terminates for any reason, including the rejection of the Lease in a bankruptcy proceeding, then Landlord shall give written notice of such fact to each Leasehold Mortgagee and Ride Connection, and if one or more Leasehold Mortgagees or Ride Connection gives written notice to Landlord within thirty (30) days following delivery of such notice of termination by Landlord, Landlord agrees in such case to enter into a new ground lease for the Premises (a "**New Lease**") with the most senior Leasehold Mortgagee or its affiliated designee providing such notice for the remainder of the term of the Lease (including any option terms) effective as of the date of such termination, or if no Leasehold Mortgagee gives such notice, then with Ride Connection if it timely gives such notice, at the rent and additional rent and upon the other terms, conditions, covenants and agreements contained in the Lease and with equal priority thereto, on the conditions set forth in this Article 7. Notwithstanding anything to the contrary contained herein, no termination of the Lease shall become effective until, and the lien of each Leasehold Mortgagee on the Premises shall remain effective until, either a New Lease has been made pursuant to this Article 7 or no Leasehold Mortgagee or Ride Connection has timely accepted (or caused to be accepted) a New Lease; upon the expiration of the 30-day period as set forth above. Upon entering into a New Lease, such Leasehold Mortgagee or Ride Connection or its affiliated designee shall cure any monetary default by Tenant hereunder, except Excluded Defaults.

The tenant under the New Lease shall have the same right, title and interest in and to all Improvements and all obligations as Tenant had under the terminated Lease (other than with respect to Excluded Defaults) and the Landlord and the new tenant shall execute and deliver any deed or other instrument and take such other action as may be reasonably necessary to confirm or assure such right, title, interest or obligations.

Nothing in this Article or the Lease shall be construed to imply that the Lease may be terminated by reason of rejection in any bankruptcy proceeding of the Tenant. The parties intend, for the protection of Leasehold Mortgagees, that any such rejection shall not cause a termination of the Lease.

If the Landlord shall, without termination of the Lease, evict the Tenant, or if the Tenant shall abandon the Premises, then any reletting thereof shall be subject to the liens and rights of Leasehold Mortgagees, and in any event Landlord shall not relet the Premises or any part thereof, other than renewal of occupancies of residential tenants and leases or other occupancy agreements with new residential tenants consistent with any covenants of record for low-income housing, without sixty (60) days' advance written notice to all Leasehold Mortgagees of the intended reletting and the terms thereof, and if any Leasehold Mortgagee shall, within thirty days of receipt of such notice, give notice to the Landlord of such Leasehold Mortgagee's intent to pursue proceedings to foreclose on the Premises or otherwise cause the transfer thereof, then so long as the Leasehold Mortgagee shall diligently pursue such proceedings the Landlord shall not proceed with such reletting without the written consent of such Leasehold Mortgagee.

If a Leasehold Mortgagee shall elect to demand a New Lease under this Article and only in the event that such Leasehold Mortgagee is not recognized as a proper plaintiff, Landlord agrees, at the request of, on behalf of and at the expense of the Leasehold Mortgagee, to institute and pursue diligently to conclusion any appropriate legal remedy or remedies to oust or remove the original Tenant from the Premises, and those subtenants actually occupying the Premises, or any part thereof, as designated by the Leasehold Mortgagee, subject to the rights of non-defaulting residential tenants in occupancy of apartment units at the Premises. Leasehold Mortgagees shall cooperate with Landlord in connection with any such actions.

Nothing herein contained shall require any Leasehold Mortgagee to accept a New Lease.

Section 7.6 Limitation on Liability of Leasehold Mortgagee. No Leasehold Mortgagee shall be liable to Landlord unless it expressly assumes such liability in writing. In the event any Leasehold Mortgagee or other Transferee becomes the Tenant under the Lease or under any new lease obtained pursuant to this Article, the Leasehold Mortgagee or other Transferee shall not be liable for the obligations of the Tenant under the Lease that do not accrue during the period of time that the Leasehold Mortgagee or such other Transferee, as the case may be, remains the actual Tenant under the Lease or new lease, holding record title to the leasehold interest thereunder. In no event shall any Leasehold Mortgagee or other Transferee be (i) liable for the erection, completion or restoration of any improvements; (ii) liable for any condition of the Improvements that existed prior to the date of its acquisition of Tenant's interest in the Improvements, or for any damage, loss, or injury caused by such preexisting condition, or for the correction thereof or the compliance with any law related thereto; (iii) bound by any amendment of the Lease made without the prior written consent of the Leasehold Mortgagee; or (iv) liable for any act or omission of any prior lessee of any portion of the Improvements (including Tenant). Any liability of any Leasehold Mortgagee or other Transferee shall be limited to its interests in the leasehold and the Premises, and shall be enforceable solely against those interests.

Section 7.7 Estoppel Certificates; Nondisturbance Agreements. Landlord and Tenant agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other party, or upon request from any Leasehold Mortgagee or a permitted assignee, Landlord or Tenant will execute, acknowledge and deliver to the other party or to such Leasehold Mortgagee a statement in writing certifying (a) that the Lease is unmodified and in full force and effect if such be the case or, if not, the extent to which the Lease has been modified; (b) the date through which the Rent has been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default, set-off, defense or other claim against Landlord or Tenant, as applicable, other than those, if any, so specified under the provisions of the Lease or such statement. It is intended that any

such statement may be relied upon by any persons proposing to acquire the interest of Landlord, Tenant or any Leasehold Mortgagee, as the case may be, in the Lease or by any prospective Leasehold Mortgagee or assignee of any Leasehold Mortgage.

Section 7.8 Actions not Effective Without Leasehold Mortgagee Consent. No cancellation, surrender, or modification or amendment of the Lease, and no waiver of any of Tenant's rights thereunder, shall be effective as to any Leasehold Mortgagee unless consented to in writing by each Leasehold Mortgagee. No subordination of the Tenant's interest in the leasehold or the Premises, or the rents or income therefrom, to any encumbrance or assignment granted by Landlord, and no joinder by Tenant in any such encumbrance or assignment, shall be valid without the express written consent of each Leasehold Mortgagee. No consent or waiver of any Lender as Leasehold Mortgagee shall be effective for purposes of the Lease unless it is made in writing.

Section 7.9 No Merger. Any acquisition of the fee interest in the Premises by Tenant (or any fee interest in the Improvements by Landlord), or other event by which the leasehold estate hereunder or any part thereof and the fee interest in the Improvements shall come into common ownership, shall not cause a merger of the leasehold interest hereunder or the fee interest in the Improvements with the fee interest in Premises, without the express written consent of each Leasehold Mortgagee. Any merger of fee and leasehold estates that may occur, whether voluntary or involuntary, in whole or in part, shall not result in termination of this Lease or extinguishment of any Leasehold Mortgage, in whole or in part, without the express written consent of each Leasehold Mortgagee.

Section 7.10 Bankruptcy of Landlord. If the Lease is rejected by Landlord or Landlord's trustee in bankruptcy following the bankruptcy of Landlord under the United States Bankruptcy Code (Title 11 U.S.C.), as now or hereafter in effect, Tenant shall not have the right to treat the Lease as terminated except with the prior written consent of all Leasehold Mortgagees, and the right to treat the Lease as terminated in such event shall be deemed assigned to each and every Leasehold Mortgagee whether or not specifically set forth in any such Leasehold Mortgage, so that the concurrence in writing of Tenant and each Leasehold Mortgagee shall be required as a condition to treating the Lease as terminated in connection with any such bankruptcy proceeding.

Section 7.11 Encumbrances by Landlord. Landlord shall not encumber the fee interest in the Land, nor assign or encumber Landlord's interest in the Lease, unless the assignment or encumbrance is required or imposed by law or by its express terms is subject and subordinate to this Lease and the rights and interests of the Tenant and Leasehold Mortgagees hereunder.

Section 7.12 Registration of Leasehold Mortgagees. Tenant shall provide written notice to Landlord of the name and address of each Leasehold Mortgagee under this Lease.

Section 7.13 Rights of Investor and Notice. Bank of America, N.A. (the "Tax Credit Investor") shall have the same notice and cure rights as any Leasehold Mortgagee, which rights shall run concurrently with those of the Leasehold Mortgagee for so long as it is limited partner of the Tenant. The initial addresses for any notices to Tax Credit Investor, as of the date hereof, are:

Tax Credit Investor: Bank of America, N.A.
 Banc of America CDC Special Holding Company, Inc.
 c/o Bank of America Merrill Lynch
 225 Franklin Street
 MA1-225-02-04
 Boston, MA 02110
 Attention: Sharon Strange, Senior Vice President
 Facsimile: 617/346-2724

with copies to: Sidley Austin, LLP
 One South Dearborn Street
 Chicago, IL 60603
 Attention: David R. Hill, Esq.
 Facsimile: 312/853-7036

The initial addresses for notice to the Leasehold Mortgagees pursuant to this Article are set forth in Section 17.11 of the Lease.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties of Landlord. As an inducement to Tenant to enter into and proceed under this Lease, Landlord warrants and represents to Tenant as follows, which warranties, representations and covenants are true and correct as of the date of this Lease and will be true and correct as of the Commencement Date, to the best knowledge of the Landlord:

- (a) The execution and delivery of this Lease and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Landlord or the Premises by the Landlord have been or will be duly authorized by all necessary agency or other action, and the consummation of any such transactions with or on behalf of the Landlord will not constitute a breach or violation of, or a default under, the charter or by laws or other governing documents of the Landlord or any agreement by which Landlord, nor constitute a violation of any law, administrative regulation or court decree; and
- (b) Landlord has received no written notice and has no knowledge, nor has Landlord been otherwise advised, of any pending or threatened taking relating to all or any part of the Premises.

Section 8.2 Representations, Warranties and Covenants of Tenant. As an inducement to Landlord to enter into and to proceed under this Agreement, Tenant warrants and represents to Landlord as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

- (a) Tenant has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease; and
- (b) The entry by Tenant into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Tenant is a party or by which it is bound.

ARTICLE 9
EMINENT DOMAIN

Section 9.1 Total Condemnation. If the whole of the Premises and the Improvements, (or such portion of the Premises and Improvements as renders it infeasible, in Tenant's sole discretion, for Tenant to continue to operate and maintain the Premises and Improvements), shall be appropriated or condemned under power of eminent domain during the Term, Tenant reserves unto itself the right to prosecute its claim for an award for damages for the termination of this Lease caused by such appropriation or taking, together with damages based on the value of Tenant's Improvements on the Premises and damages Tenant may sustain caused by such appropriation and taking of, or the injury to, Tenant's leasehold interest. Landlord shall be entitled to prosecute its claim for the fee interest in the Premises, subject to the Lease and damages Landlord may sustain caused by such appropriation and taking of, or the injury to, Landlord's fee interest. In such event, this Lease shall terminate when Tenant can no longer use the Premises in the manner herein intended, or when possession thereof shall be required by the appropriating or condemning authority, whichever shall first occur; but such termination of this Lease shall not preclude nor restrict Tenant's right to an award as herein before provided.

Section 9.2 Partial Condemnation. In the event that a part of the Premises shall be taken or condemned under circumstances in which Tenant desires to continue the Lease, this Lease shall continue in full force and effect

and shall terminate only as to that part of the Premises so taken. In that event Tenant shall, at its own cost and expense, make all repairs to the buildings and Improvements on the Premises affected by such taking or condemnation to the extent necessary to restore the same to a complete architectural unit (to the extent permitted, however, taking into consideration the amount of land remaining after any such taking or purchase). Compensation available or paid to Landlord or Tenant upon such a partial taking or condemnation shall be paid (i) to Tenant to the extent that such compensation is attributable the taking of Tenant's leasehold interest and (ii) to Commercial Unit Owner to the extent that such compensation is attributable the taking of the Commercial Unit, and the remainder shall be paid to Landlord.

Section 9.3 Temporary Taking. If there shall be a temporary taking with respect to all or any part of the Premises or of Tenant's interest in this Lease, then the Term shall not be reduced and Tenant shall continue to pay in full all rents, and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Tenant shall not be required to perform such obligations that Tenant is prevented from performing by reason of such temporary taking.

Section 9.4 Joinder. If a Leasehold Mortgage exists, the Leasehold Mortgagees, to the extent permitted by law, shall be made parties to any taking proceeding and all rights of Tenant shall be subject to the terms of the Leasehold Mortgages.

ARTICLE 10 DAMAGE OR DESTRUCTION

Section 10.1 Damage or Destruction to Leased Premises. Tenant shall give prompt written notice to Landlord after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Premises, the Improvements or any portion thereof (hereinafter sometimes referred to as a "Casualty"). Subject to Section 10.2 below, if during the Term the Improvements shall be damaged or destroyed by casualty, Tenant shall, subject to the terms of the Leasehold Mortgages, promptly and with all due diligence, apply for and collect all applicable insurance proceeds recoverable with respect to such casualty to fully repair or restore the Improvements.

Section 10.2 Right to Terminate. In the event Tenant shall determine, subject to the rights of the Leasehold Mortgagees, by notice to Landlord given within thirty (30) days after receipt by Tenant of any such insurance proceeds, that it is not economically practical to restore the Improvements and/or the Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Tenant may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. However, notwithstanding anything to the contrary in the foregoing, Tenant shall not have the right to terminate this Lease pursuant to this Section 10.2 without Landlord's prior written consent, which may be withheld in Landlord's sole discretion, if there are, at the time of such Casualty or at the time Tenant desires to exercise such right of termination, any encumbrances on the fee interest of Landlord (including, without limitation, any Extended Use Regulatory Agreement required under Section 42 of the Internal Revenue Code). If Tenant terminates this Lease pursuant to this Section 10.2, Tenant shall be responsible for and shall bear all costs of removing the remaining Improvements and debris from the Premises and then surrendering possession of the Premises to Landlord immediately.

Section 10.3 Damage or Destruction near the end of the Term. If, during the last ten (10) years of the Term, the Improvements shall be damaged by casualty, then Tenant shall have the option, to be exercised within one hundred twenty (120) days after such casualty:

- (a) To repair or restore the Improvements as provided in Section 10.1; or
- (b) Subject to the rights of Leasehold Mortgagees, to terminate this Lease by notice to Landlord, which termination shall be deemed to be effective as of a date not less than thirty (30) days after the date such notice is received by Landlord. If Tenant terminates this Lease pursuant to this Section 10.3, Tenant

shall surrender possession of the Leased Premises to Landlord upon the effective date of termination and assign to Landlord (or, if same has already been received by Tenant, pay to Landlord) all of its right, title and interest in and to the proceeds from Tenant's insurance upon the Premises, subject to the prior rights of any Leasehold Mortgage therein, as referenced in Section 10.4 below.

Section 10.4 Distribution of Insurance Proceeds. In the event that this Lease is terminated pursuant to this Article 10, the insurance proceeds received as the result of such casualty shall be distributed as follows: (a) if any Leasehold Mortgages are in place, to the Leasehold Mortgagee to the extent of any indebtedness then owed to such Leasehold Mortgagees; and (b) to Tenant or Landlord pursuant to Section 10.3.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Default By Tenant. Each of the following is a material default and breach of this Lease by Tenant:

- (a) Failure to make any required Rent or any other payment as and when due, if the failure continues for a period of ten (10) business days after written notice from Landlord.
- (b) Failure to comply with any of the covenants or provisions of this Agreement, other than those described in Section 11.1(a), if the failure continues for a period of sixty (60) days after written notice from Landlord. If the nature of Tenant's default reasonably requires more than sixty (60) days for its cure, Tenant will not be in default if it commences to cure within the sixty (60) day period and thereafter diligently pursues its completion.

Section 11.2 Remedies Upon Default By Tenant. If any material default or breach by Tenant occurs, Landlord may, subject in all respects to the provisions of this Lease with respect to Landlord's rights to cure defaults by Tenant, with respect to the rights of any Leasehold Mortgagees and with respect to the rights of any owner of the Commercial Unit, and subject further to the provisions of Section 11.3 and 11.5 of this Lease, do any or all of the following:

- (a) Except as set forth in Section 11.7, upon ninety (90) day's written notice to Tenant, terminate Tenant's right to possession of the Premises, and this Lease shall terminate. Landlord may re-enter and take possession of and remove, at Tenant's costs and expense, all persons or property, and Tenant shall immediately surrender possession of the Premises to Landlord.
- (b) Maintain Tenant's right to possession, and this Lease shall continue in force whether or not Tenant has abandoned the Premises. Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover rent as it becomes due.
- (c) Pursue any other remedy available to Landlord under the law or equity. These remedies are not exclusive.

Notwithstanding any other provision herein, in the event Landlord exercises its remedies pursuant to Section 11.2(a) or (c) and terminates this Agreement, Tenant may, within thirty (30) days following such termination reinstitute this Lease for the balance of the term, by paying to Landlord an amount equal to the actual damages incurred by Landlord as a result of such breach and payment of any actual costs or expenses incurred by Landlord, including reasonable attorneys' fees and disbursements, as a result of such breach or reinstatement of this Agreement.

Further notwithstanding anything to contrary herein, Landlord agrees that it will take no action to effect a termination of this Lease by reason of any breach or default by Tenant under this Lease at any time that Tenant or any affiliate of Tenant is the general partner of the Tenant without first giving to the Tax Credit Investor reasonable time, not to exceed sixty (60) days, to replace the Tenant's general partner and/or to admit an

additional general partner of the Tenant and cause such new general partner to cure the breach or default hereunder; provided, however, that as a condition of such forbearance, Landlord must receive notice from the Tax Credit Investor of the substitution of a new general partner of the Tenant within twenty (20) days following receipt of Landlord's notice of the breach or default, and Tenant, following such substitution of general partners, shall thereupon proceed with reasonable diligence to cure such breach or default.

Section 11.3 Severance of Defaults. At such time as the Premises is submitted to the Oregon Condominium Act, the Commercial Unit is conveyed to Commercial Unit Owner and the Lease is partially assigned pursuant to Section 15.2, no further act or failure to act by a Unit Owner shall constitute a default under this Lease except as to the defaulting Unit Owner and therefore if the default is the result of an act or omission of a particular Unit Owner, no other Unit Owner shall be considered in default under this Lease so long as such other Unit Owner complies with the terms of the Lease.

Section 11.4 Default by Landlord. Landlord shall be in default of this Lease if it fails to perform any material provision of this Lease that it is obligated to perform or if any of Landlord's representations or warranties is untrue in any material respect and if the failure to perform is not cured within thirty (30) days after written notice of the default has been given to Landlord. If the default cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Lease if Landlord commences to cure the default within such thirty-day period and thereafter diligently pursues its completion.

Section 11.5 Remedies Upon Default by Landlord. Tenant may upon Landlord's default pursue any remedy available to Tenant under the law or equity.

Section 11.6 Notice of Default and Right to Cure by Owner of the Commercial Unit. The Owner of the Commercial Unit of the Condominium shall have the right to cure any default of Tenant under this Lease and Commercial Unit Owner shall have the right to reinstitute this Lease for the balance of the term pursuant to Section 11.2. Landlord shall deliver written notice of any default of Tenant under this Lease to the owner of the Commercial Unit at the address provided in writing by the Tenant. The owner of the Commercial Unit shall have the same time periods to effect a cure of such default as provided to the Tenant in Section 11.1.

Section 11.7 Reversion. Upon expiration of the term of the Lease or earlier termination or cancellation of the Leases with respect to all of the units of the Condominium and subject to Article 7, the Premises shall revert to and become the sole property of Landlord and all rights of the Unit Owners in their respective units shall terminate. Upon expiration of the term of the Lease or earlier termination or cancellation of the Lease with respect to less than all of units of the Condominium and subject to Article 7, the defaulting Unit Owner's unit of the Condominium shall revert to and become the sole property of Landlord and all rights of the defaulting Unit Owner in such unit shall terminate. In such event, the Landlord shall not terminate the Lease and the Landlord shall become the successor owner of the defaulting Unit Owner's unit in the Condominium.

ARTICLE 12 QUIET ENJOYMENT AND POSSESSION, INSPECTIONS

Landlord covenants and warrants that Tenant, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Premises during the Term, subject only to the provisions of this Lease and all applicable laws, ordinances and regulations.

ARTICLE 13 VACATION OF LEASED PREMISES

Tenant covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Tenant will peaceably and quietly yield and surrender possession of

the Premises to Landlord. An action of forcible detainer shall lie if Tenant holds over after a demand for possession is made by Landlord.

ARTICLE 14
PERFORMANCE BY CONDOMINIUM ASSOCIATION

Any act required to be performed by Tenant pursuant to the terms of this Lease may be performed by the Condominium Association and shall be acceptable as Tenant's act by Landlord.

ARTICLE 15
TRANSFERS

Section 15.1 Permitted Transfer by Tenant. Except as otherwise provided in this Article 15 and subject to all statutory and regulatory requirements applicable to this leasehold, Tenant shall have no right to transfer any legal or beneficial interest in Tenant's estate hereunder without Landlord's prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, Landlord consents to: (i) the conveyance of the Commercial Unit to Ride Connection or an affiliate, subject to Landlord's written approval of the conveyance documents; (ii) a transfer by Tenant to any Leasehold Mortgagee in compliance with Article 7 hereof, and to an assignment or other transfer by any Leasehold Mortgagee to a third party purchaser following a foreclosure sale or acceptance by the Leasehold Mortgagee or its designee of a deed-in-lieu of foreclosure; (iii) any residential tenant lease by Tenant to households qualifying as described in Section 1.3 for residential dwellings to be constructed as part of the Improvements and any lease of a portion of the Commercial Unit by Commercial Unit Owner pursuant to Section 1.3; (iv) any transfer of a partnership interest in the Tenant; (v) any transfer of a partnership interest in Tenant that occurs in connection with the exercise of general partner removal rights by the Tax Credit Investor; and (vi) any transfer of the Residential Unit to Human Solutions, Inc. or an affiliate pursuant to the repurchase right under the Amended and Restated Agreement of Limited Partnership of Tenant. Furthermore, notwithstanding the foregoing, following completion of construction of the Improvements, Landlord acknowledges that Landlord will not unreasonably withhold, delay or condition a request by Tenant for Landlord's consent to an internal reorganization of the corporate or partnership structure of Tenant or the general partner of Tenant.

Upon the granting of any consent (deemed or otherwise) by Landlord with respect to a transfer by Tenant, this Lease shall be binding upon the assignee, Leasehold Mortgagees and other transferees.

Section 15.2 Assignment. Conveyance of all or any part of an interest in a unit in the Condominium by Tenant shall constitute an assignment to the purchaser of all or the appropriate part of Tenant's interest in the Premises, equal to Tenant's allocation of undivided interest in the common elements of the Condominium, even if no instrument of assignment is executed. Acceptance of a deed to a unit by a unit purchaser shall be deemed to constitute acceptance of such assignment and no separate instrument shall be required. Upon such conveyance, this Lease shall be construed as a separate lease between Landlord and such new Unit Owner, subject to modification and termination without affecting the remainder of the Premises. Upon conveyance of an interest in a unit by Tenant and the assignment by Tenant of its entire interest under this Lease with respect to a unit, Tenant shall be released from further liability under this Lease with respect to such unit.

ARTICLE 16
GENERAL INDEMNIFICATIONS

Section 16.1 Indemnifications

16.1.1 By Landlord. Subject to the Oregon Tort Claims Act and the Oregon Constitution, Landlord agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Tenant) the Tenant, its officers, commissioners, directors, affiliates, agents and employees from and against any and all

claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys fees and expenses), arising directly or indirectly out of the performance of, or arising from or relating to Landlord's obligations under this Lease.

These indemnities shall survive the termination of the Lease.

16.1.2 By Tenant. Notwithstanding any other provision of this Lease, the Tenant hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Landlord) the Landlord, its officers, commissioners, directors, affiliates, agents and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, attorneys fees and expenses), arising directly or indirectly out of the performance of, or arising from or relating to Tenant's obligations under, this Lease or the construction or operation of the Improvements. In addition, if any contractor or subcontractor which performed any construction work for the Tenant or the Tenant's affiliates on the Improvements shall assert any claim against the Landlord on account of any damage alleged to have been caused by the Tenant or the Tenant's affiliates, their members, partners, officers, commissioners, directors, affiliates (other than Landlord), agents or employees, or their construction contractors, the Tenant shall defend at its own expense any suit based upon such claim; and if any judgment or claim against the Landlord shall be allowed, the Tenant shall pay or cause to be paid or satisfied such judgment or claim and pay all costs and expenses in connection therewith.

These indemnities shall survive the termination of the Lease.

ARTICLE 17 MISCELLANEOUS PROVISIONS

Section 17.1 Entire Agreement, Modifications. This Lease, including all Addenda hereto, supersedes all prior discussions and agreements between the parties with respect to the leasing of the Premises. This Lease contains the sole and entire understanding between the parties with respect to the leasing of the Premises pursuant to this Lease, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the Parties, if any, are merged into this Lease. This Lease, including all Addenda hereto, shall not be modified or amended in any respect, except by written instrument specifically referencing such a modification or amendment which is executed by or on behalf of the Parties in the same manner as this Lease, including all Addenda hereto, is executed and to which each Leasehold Mortgagee has consented in writing.

Section 17.2 Governing Law and Choice of Venue. This Lease, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of Oregon. Any legal action to enforce the terms of this Lease shall be brought in Multnomah County, Oregon. The prevailing party in such action shall be entitled to its attorney's fees and costs.

Section 17.3 Binding Effect. This Lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, successors, administrators, executors and permitted assigns.

Section 17.4 Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the parties have been materially altered by such unenforceability.

Section 17.5 Further Assurances. From and after the date of this Lease, Landlord and Tenant, at the request of the other party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 17.6 Captions. All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to particular articles, sections, subsections, paragraphs and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 17.7 Gender. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice-versa, unless the context requires otherwise.

Section 17.8 Exhibits. Each and every exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and other-wise mentioned.

Section 17.9 References. All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms "herein", "hereof", "hereinafter", "hereunder" and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 17.10 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 17.11 Notices. All, notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by Federal Express, or another recognized, reputable overnight courier service, or by hand delivery by a recognized, reputable courier, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other party any notices, requests, demands or other communications required or permitted to be given hereunder by such party.

- (a) To Landlord: City of Portland
Portland Housing Bureau
421 SW 6th Ave., Suite 500
Portland, OR 97204
Attn: Karl Dinkelspiel
- With a copy to: City Attorney's Office
1221 SW 4th Avenue, suite 430
Portland, OR 97201
Attn: Trinh C. Tran
- (b) To Tenant: Glisan Commons Phase I Limited Partnership
c/o Human Solutions, Inc.
12350 SE Powell Blvd.

Portland, OR 97236
 Attention: Executive Director

With a Copy to: Kantor Taylor Nelson Evatt & Decina PC
 901 Fifth Avenue, Suite 4000
 Seattle, WA 98164
 Attn: Mark B. Kantor

(c) To Ride Connection: Ride Connection, Inc.
 847 NE 19th Ave
 Suite 200
 Portland, OR 97232
 Attention: Executive Director

With a Copy to: Ater Wynne LLLP
 1331 NW Lovejoy, Ste. 900
 Portland, OR 97209-3280
 Attn: Kirk W. Smith

(d) To Bank of America: Bank of America, N.A.
 2001 Clayton Road, 2nd Floor
 CA4-702-02-29
 Concord, CA 94520
 Attention: Loan Administration

With a Copy to: Paul Hastings LLP
 515 South Flower Street, Twenty-Fifth Floor
 Los Angeles, CA 90071
 Attn: Ken Krug

(e) To OHCS: Oregon Housing and Community Services Department
 725 Summer St. NE, Suite B
 Salem, OR 97301

(f) To NOAH: Network for Oregon Affordable Housing
 1020 SW Taylor, Suite 585
 Portland, OR 97205
 Attn: Executive Director

For so long as the Tax Credit Investor is a limited partner of Tenant, a copy of all notices to the Tenant shall also be delivered to the Tax Credit Investor at the address set forth in Section 7.13. For so long as OHCS is the beneficiary of a Restrictive Covenant burdening the Premises, a copy of all notices to the Tenant shall also be delivered to OHCS at the address set forth above.

Section 17.12 Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

Section 17.13 Time of Essence. Time is and shall be of the essence in this Lease.

Section 17.14 Recording of Lease. Tenant may record a memorandum of this Lease at Tenant's expense.

Section 17.15 No Third-Party Beneficiaries. Except to the extent expressly provided in this Lease, this Lease is not intended to confer upon any person other than the parties to this Lease any rights or remedies under this Lease.

Section 17.16. Unit Owners to Attempt to Resolve Disputes. In the event Landlord declares an alleged breach by a Unit Owner of such Unit Owner's obligations under the Lease (a "Unit Owner Lease Default"), then, if requested by Landlord as provided in the Condominium Documents, the Condominium Association will participate in joint communications among Landlord, the allegedly defaulting Unit Owner, and the Condominium Association to attempt to arrive at a mutually acceptable resolution to the alleged Unit Owner Lease Default. The Unit Owners, as the members of the Condominium Association, hereby acknowledge and agree to act in accordance with the foregoing provision. Failure of the Condominium Association or the allegedly defaulting Unit Owner to participate in such joint communications as set forth herein or the failure to reach a resolution of such alleged Unit Owner Lease Default shall not, in and of itself, constitute a default under the Lease.

In the event Landlord declares an alleged breach under the Lease which is not attributable to a particular Unit Owner or which is attributable to the Condominium Association (a "Condominium Lease Default"), then, if requested by the Condominium Association as provided in the Condominium Documents, each of the Unit Owners will participate in joint communications among Landlord, the Condominium Association, and Unit Owners to attempt to arrive at a mutually acceptable resolution to the alleged Condominium Lease Default. The Unit Owners, as the members of the Condominium Association, hereby acknowledge and agree to act in accordance with the foregoing provision. Failure of the Condominium Association or the Unit Owners to participate in such joint communications as set forth herein or the failure to reach a resolution of such alleged Condominium Lease Default shall not, in and of itself, constitute a default under the Lease.

[Signatures on Following Page]

IN WITNESS WHEREOF, this Lease is made and entered into in multiple original counterparts on the day and year first above written.

"LANDLORD"

CITY OF PORTLAND, a municipal corporation in the State of Oregon, acting by and through the Portland Housing Bureau as the duly designated housing agency of the City of Portland

Traci Manning, Director

APPROVED AS TO FORM:

, Attorney

City Attorney's Office

"TENANT"

GLISAN COMMONS PHASE I LIMITED PARTNERSHIP

By: HSI-Glisan Commons LLC
Its: General Partner

By: Human Solutions, Inc.
Its: Sole Member

Jean DeMaster, Executive Director

185697

STATE OF OREGON)
) ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012 by _____, _____ of the Portland Housing Bureau, duly designated housing agency of the City of Portland, on its behalf.

Notary Public for Oregon
My commission expires:
Commission No.:

STATE OF OREGON)
) ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012 by Jean DeMaster, Executive Director of Human Solutions, Inc., Sole Member and Manager of HSI-Glisan Commons LLC, General Partner of Glisan Commons Phase I Limited Partnership, an Oregon limited partnership, on its behalf.

Notary Public for Oregon
My commission expires:
Commission No.:

185697

EXHIBIT A TO GROUND LEASE

Legal Description

[Metes and bounds prepared by surveyor]

EXHIBIT B TO GROUND LEASE

Phase 2 Premises

NOT INCLUDED IN THE LEASEHOLD ESTATE

[Metes and bounds prepared by surveyor]

GROUND LEASE ADDENDUM

(Provisions Regarding Senior Loans)

Tenant's ownership interest in the Project and its leasehold interest in the Premises pursuant to this Lease have been pledged to Bank of America, N.A., a national banking association ("**Bank of America**"), as security for a loan to be made by Bank of America to Tenant in the principal amount of up to \$[____], as construction financing for the Project. The parties anticipate that Tenant's ownership interest in the Project and its leasehold interest in the Premises pursuant to this Lease will ultimately be pledged to the Network for Oregon Affordable Housing, an Oregon nonprofit public benefit corporation ("**NOAH**"), as security for a loan to be made by NOAH to Tenant in the principal amount of up to approximately \$ _____, as permanent financing for the Project. The terms "**Senior Lender**" and "**Senior Loan**" shall initially apply to Bank of America and the loan from Bank of America and, if and when the loan from NOAH is made, to NOAH and the loan from NOAH. The Senior Loan will be evidenced and/or secured by a leasehold deed of trust (the "**Senior Deed of Trust**"), a promissory note and other security documents in favor of the Senior Lender (collectively, the "**Senior Loan Documents**"). Landlord and Tenant hereby agree that, notwithstanding any other provision of this Lease, the following provisions shall apply for so long as the Senior Loan is outstanding:

1. Leasehold Mortgage. The Senior Loan, as evidenced by the Senior Deed of Trust and the other Senior Loan Documents, is or will be deemed a "Leasehold Mortgage" for all purposes under the Lease, and Bank of America and NOAH will each be deemed a "Leasehold Mortgage" for all purposes under the Lease.

2. Use of Premises Following a Foreclosure. In the event Senior Lender, its successors or assigns, takes title to Tenant's leasehold interest in the Premises pursuant to a foreclosure of the Senior Deed of Trust, or a conveyance in lieu of foreclosure (in either case, a "**Foreclosure**"), or Senior Lender or a successor or assign enters into a new Lease of the Premises with Landlord pursuant to Section 7.5 of the Lease (a "**New Lease**"), then in either case Section 1.3 of the Lease shall be deemed to be amended to read as follows in its entirety, as of the date that the Foreclosure is completed or a New Lease is executed:

Section 1.3. Use. Tenant shall use the Premises solely for the operation of a multi-family residential development containing approximately 67 units of housing for occupancy by individuals or families whose income is 80% or less of the area family adjusted median gross income ("AMI"), as determined from time to time by the U.S. Department of Housing and Urban Development.

3. Landlord Restrictive Covenant. Any Restrictive Covenant (as defined in Section 3.1.2 of the Lease) recorded by Landlord with respect to the Project shall expressly recite that, notwithstanding any tenant income restrictions set forth in such Restrictive Covenant, in the event of a Foreclosure or the execution of a New Lease following a Foreclosure all income restrictions applicable to the Project pursuant to such Restrictive Covenant shall automatically increase to 80% of AMI as of the date that the Foreclosure is completed or a New Lease is executed

4. Insurance. In the event of any conflict between the provisions of Article 5 of the Lease, pertaining to insurance, and the provisions of the Senior Deed of Trust and other Senior Loan Documents pertaining to insurance, the provisions in the Senior Deed of Trust and the other Senior Loan Documents shall control for so long as the Senior Loan is outstanding.

5. Eminent Domain. In the event of any conflict between the provisions of Article 9 of the Lease, pertaining to eminent domain and condemnation, and the provisions of the Senior Deed of Trust and other Senior Loan Documents pertaining to any condemnation or eminent domain, the provisions in the Senior Deed of Trust and the other Senior Loan Documents shall control for so long as the Senior Loan is outstanding.

6. Damage or Destruction. In the event of any conflict between the provisions of Article 10 of the Lease, pertaining to fire or other damage or destruction of the Project, and the provisions of the Senior Deed of Trust and other Senior Loan Documents pertaining to any damage destruction, or other casualty with respect to the

Project, the provisions in the Senior Deed of Trust and the other Senior Loan Documents shall control for so long as the Senior Loan is outstanding.

7. Transfers. The provisions of Article 15 of the Lease, pertaining to transfers of interests in Tenant and in Tenant's constituent partners, are subject to the provisions of the Senior Deed of Trust and other Senior Loan Documents pertaining to permitted transfers by Tenant and by Tenant's general partner and limited partner(s), and shall be deemed superseded by such provisions in the Senior Loan Documents for so long as the Senior Loan is outstanding.

8. Cross Default. Landlord and Tenant hereby acknowledge that a default by Tenant under the Lease shall constitute a default under the Senior Loan Documents.

9. Attornment by Landlord. In the event that Senior Lender acquires Tenant's interest under the Lease by foreclosure or conveyance in lieu of foreclosure, then Landlord shall attorn to Senior Lender and recognize Senior Lender as Landlord's lawful tenant under the Lease. In addition, following any such foreclosure or conveyance in lieu of foreclosure and Senior Lender's subsequent sale of its interest in the Lease to a third party purchaser, Landlord shall attorn to such third party purchaser and recognize such third party purchaser as Landlord's lawful tenant under the Lease. Landlord shall execute and deliver any reasonable document or instrument required by Senior Lender or such third party purchaser confirming the attornments agreed to hereunder.

10. References to Senior Lender. All references to Senior Lender in this Addendum shall be deemed to include Senior Lender's successors, assigns, transferees, and participating lenders.

11. Notice Address. For purposes of any notices to NOAH under the Lease, the following address shall be used in accordance with the provisions of Section 17.11 of the Lease and Exhibit D to the Lease:

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

12. Non-Funding of Senior Loan. In the event the Senior Loan is not funded, for any reason, this Addendum shall be deemed null and void and of no effect whatsoever.

[End.]