

THIS IS AN EXAMPLE LEASE

TERMS AND CONDITIONS WILL BE NEGOTIATED UPON AWARD

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT ("Agreement") is made as of the date of the last signature affixed hereto ("Commencement Date") by and between DESCHUTES COUNTY, a political subdivision of the State of Oregon ("Lessor"), and [REDACTED]

("Lessee"). Lessor and Lessee are referred to herein as "Party" or "Parties."

A. RECITALS

- 1. Lessor owns certain real property commonly known as the [REDACTED] and is identified as Map and Tax [REDACTED] and contains +/- [REDACTED]-acres as shown in Exhibit A, attached hereto and incorporated herein ("Property").
2. Subject to the terms and conditions of this Agreement, the Parties desire to enter into this Agreement to lease a portion of the Property, containing +/- [REDACTED]-acres as shown in Exhibit B, attached hereto and incorporated herein ("Site").
3. Lessor is supportive of Lessee's stated intent to operate [REDACTED] at the Site ("Program"). [REDACTED]



- 4. Within three (3) months of the first Participant occupying space at the Site, Lessee agrees to provide a Program update to the Board of County Commissioners at a public meeting.

B. WITNESSETH

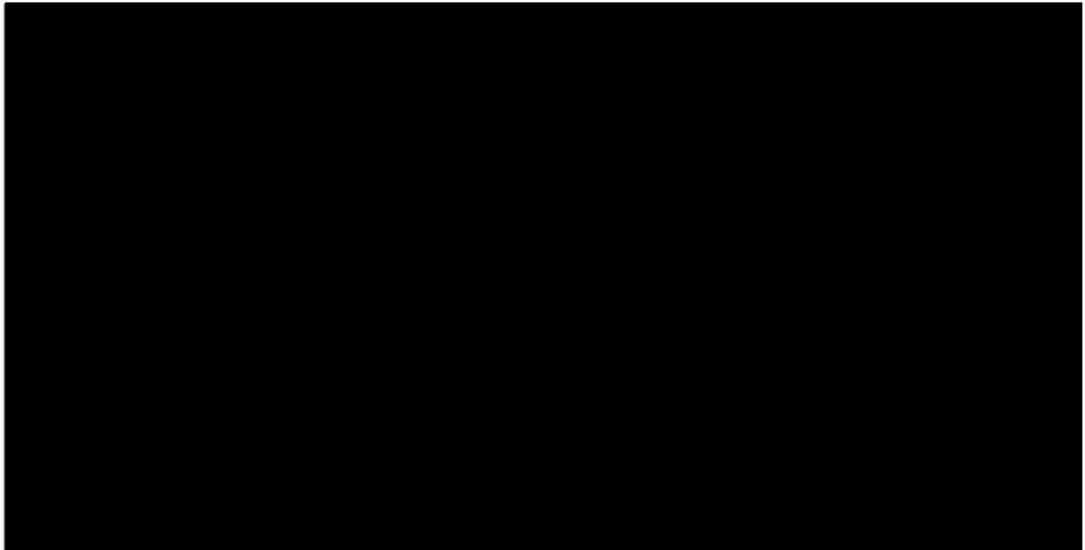
NOW, THEREFORE, in consideration of the mutual covenants and obligations contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

- 1. TERM. The term of this Agreement shall be effective upon the last signature affixed ("Effective Date"), and shall expire [REDACTED] unless sooner terminated in accordance with this Agreement, including that either party may terminate this Agreement for any reason or no reason, with ninety (90) days advance written notice and as further described in Section B.21. Prior to the expiration of the Term, this Agreement may be extended as agreed upon by the Parties in writing.
2. OPTION TO RENEW. If the Lessee is not then in default, as further described and provided in Section B.19, and the Lease has not been terminated in accordance

OPTION TO RENEW WILL BE NEGOTIATED UPON AWARD

hereof, the Parties shall have the Option to Renew ("Renewal") for additional Two (2) year terms under the same terms and conditions set forth herein except for any modifications agreed to in writing by amendment. The Renewal terms will be memorialized by a letter signed by both Parties, the Lessor (Deschutes County Property Manager or County Administrator) and Lessee.

3. RENT. Except as otherwise provided elsewhere in this Agreement, in recognition of the public benefit rendered by Lessee's activities, the monthly lease rate is zero (\$00.00) for the term of this Agreement.
4. POSSESSION. Lessee's right to exclusive possession and obligations under the Agreement shall commence as of the Effective Date of this Agreement, except as otherwise provided herein.
5. CONDITION OF PROPERTY AND SITE. Lessor and Lessor's Agents as defined in Section B.17 have made no warranties or representations regarding the condition of the Property or Site, including, without limitation, the sustainability of the Property or Site for intended uses, except as may be expressly set forth herein. Lessor has no obligation to repair, alter, and/or construct any improvements on the Property or Site. Lessee has inspected and accepts the Site in its "AS IS" condition upon taking possession, except as otherwise expressly set forth herein. Lessor will have no liability to Lessee, and Lessee will have no claim against Lessor, for any damage or injury or loss of use caused by the condition of the Property or Site, except as expressly set forth herein. Lessee is solely responsible for thoroughly inspecting the Site and ensuring that it is in compliance with all Legal Requirements (as referenced below), except as expressly set forth herein.
6. PERMITTED USE. The Site shall be used for the Program only, more fully described in Section A.3. In terms of use of the Site, Lessee may make the following improvements at its sole cost and expense:





7. RESTRICTIONS ON USE. In terms of use of the Site, Lessee shall:

7.1 Maintain improvements, structures and fences on the Site, if any, to standards of repair, orderliness, neatness, sanitation, and safety reasonably acceptable to Lessor, and shall not store solid waste on the Site.

7.2 Except as undertaken in the ordinary course of conducting its Permitted Use and in compliance with applicable local, state and federal law, refrain from the disposal, spilling or discharging of any oil, gasoline, diesel fuel, chemicals, or other pollutants on the leased Property or Site. In the event of such spills, Lessee shall undertake any and all necessary actions to contain and remove from the Property or Site as provided by law.

7.3 Conform to all applicable Legal Requirements of any public authority affecting the Site and Lessee's specific use of Site and correct at Lessee's own expense any failure of compliance created by Lessee or by reason of Lessee's specific use of the Site, except as expressly set forth in this Agreement. For purposes of this Agreement, the term "Legal Requirement(s)" means any and all rules, regulations, covenants, conditions, restrictions, easements, declarations, laws, statutes, liens, ordinances, orders, codes, rules, and regulations applicable to the Property and/or Lessee's specific use thereof of the Site, including, without limitation, the Americans with Disabilities Act of 1990, as amended (and the rules and regulations promulgated thereunder), all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

7.4 Refrain from any use which would create a nuisance either on the Property or Site or offsite or damage the Property or Site, including but not limited to, creating offensive odors, excessive dust or noise on the Property or Site or maintaining a fire on the Property or Site. Nothing herein shall be construed to prohibit normal activities necessary to utilize the Site for its Permitted Use.

7.5 Refrain from making any unlawful use of said Property or Site or to suffer or permit any waste stored at the Site.

8 LESSEE OBLIGATIONS. The following shall be the responsibility of the Lessee at Lessee's sole cost and expense:

THE FOLLOWING 8.1 THROUGH 8.12 SHALL BE NEGOTIATED UPON AWARD

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Deschutes County Document No. 

8.1 As applicable, arrangement for and delivery to the Site of water, sanitary sewer, gas, electrical, and other utility services deemed necessary by Lessee to operate the Program.

8.2 As applicable, structural repairs and maintenance of any screening, fences, buildings, water, sanitary sewer, gas and electrical services, and other utility services servicing the Site.

8.3 As applicable, Site maintenance, and spreading gravel as needed to help mitigate fire risk.

8.4 All repairs necessitated by the activities or negligence of Lessee, its agents, employees, volunteers or invitees on or in connection with the Property or Site.

8.5 All repairs or alterations required under Lessee's obligation to comply with Legal Requirements and regulations as set forth in "Restrictions on Use" above.

8.6 All landscape maintenance to ensure vegetation remains tidy and viable; as applicable including replacement of any plantings as necessary as well as all irrigation repairs and maintenance to help ensure landscape viability.

8.7 All ad valorem tax and other real property assessments, bonds, levies or the like for the leased Site except as for provided and further described in Section B.9.

8.8 All taxes and assessments upon Lessee's personal property located on the Site as outlined in Section B.9.

8.9 The cost of property and liability insurance as outlined in Section B.16.

8.10 As applicable, all utility charges associated with the operation for the Permitted Use of the Site, including but not limited to electricity, natural gas, water, sanitary sewer, and other such services as necessary.

8.11 All other operational costs or future improvements associated with the Permitted Use of the Site.

8.12 Lessee shall maintain authorization from the City as further described in Section

9. TAXES AND ASSESSMENTS. After execution of this Agreement, Lessee shall apply within fifteen (15) days for a property tax exemption status based on Lessee's nonprofit status. If the property tax exemption application is denied and the taxing authority assesses real property tax and assessments for the Property, Site or Site Improvements, Lessee shall pay before delinquency, all assessments and levies against the portion of the Property. Lessee shall pay before delinquent, all personal property taxes on Lessee's fixtures, equipment, inventory and other personal property in or about the portion of the Property subject to taxation.

IF IT IS DETERMINED THAT TAXES ARE NOT EXEMPT, COUNTY AND OPERATOR SHALL NEGOTIATE

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Deschutes County Document No. [REDACTED]

10. INSPECTION OF SITE. During the term of this Agreement, Lessor shall have the right to inspect the Site in the Lessee's presence with reasonable notice by Lessor.
11. REPAIRS. Lessee accepts the Site in its "AS IS" condition, except as expressly set forth herein. Lessee will at all times keep the Site in good condition consistent with the condition of the Site on the Effective Date and make all repairs during the term of the Agreement necessary to maintain the Site in good condition.
12. PARTIAL TAKING. If a portion of the Property or Site is condemned and Section B.13 TOTAL TAKING does not apply, the Agreement shall continue on the following terms:
- 12.1 Lessor shall be entitled to all of the proceeds of condemnation and Lessee shall have no claim against Lessor as a result of the condemnation.
- 12.2 Lessor shall proceed as soon as reasonably possible to make such repairs and alterations to the Property or Site as reasonably practicable to return the Property or Site to its condition existing at the time of the condemnation, but in no event shall Lessor be liable for repairs in excess of condemnation proceeds awarded to and received by Lessor. The Lessor may, but shall not be required to, perform alterations prior to the actual taking after the portion to be taken has been finally determined.
13. TOTAL TAKING. If a condemning authority takes all of the Property or Site or a portion sufficient to render the Site reasonably unsuitable for the use which the Lessee was then making of the Site, the Agreement shall terminate as of the date the title vests in the condemning authority. Lessor shall be entitled to all of the proceeds of condemnation and the Lessee shall have no claim against Lessor as a result of the condemnation.
14. SALE IN LIEU OF CONDEMNATION - DEDICATION TO THE PUBLIC. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purpose of this Section B.14 as a taking by condemnation. Dedication to the public, sale, or transfer of all or a portion of the Property of Lessor to the State of Oregon, its political subdivisions or United States of America, shall be treated as a Total Taking or Partial Taking, as applicable.
15. LIENS.
- 15.1 Except with respect to activities for which the Lessor is responsible, the Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the Site and shall keep the Property free from any liens.
- 15.2 Lessee may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, so long as Lessor's Property interests are not jeopardized. If a lien is filed as a result of nonpayment, Lessee shall, within thirty (30) days after knowledge of the filing, secure the discharge of the lien or deposit with Lessor cash or a sufficient corporate surety bond or other surety satisfactory to Lessor in an amount sufficient to discharge the lien plus any costs, attorney fees

and other charges that could accrue as a result of a foreclosure or sale under a lien.

15.3 If Lessee fails to pay any such claims or to discharge any lien, or bond over any such lien, within thirty (30) days after written notice of such lien, Lessee shall remedy any lien. If Lessee fails to remedy any liens, Lessee will be in default and such default may be remedied or exercised in accordance to Section B.20.

16. INSURANCE.

16.1 It is expressly understood that Lessor shall not be responsible for carrying insurance on any personal property owned by Lessee.

16.2 Lessee will be required to carry fire and casualty insurance on Lessee's personal property on the Premises. Neither Party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy.

16.3 Lessee shall provide to Lessor proof of workers' compensation insurance, upon request.

16.4 Lessor is self-insured under ORS 30.282 and has established a self-insurance fund for liability arising out of any tort claim or property damage against any of its programs, officers, agents, employees and volunteers acting within the scope of their employment. This coverage is applicable under any Deschutes County agreement. A certificate of insurance will be provided upon request.

16.5 Lessee shall carry commercial general liability insurance, with a combined single limit of not less than \$1,000,000 for each occurrence, with an annual aggregate limit of \$2,000,000. The policy shall include an additional insured endorsement, naming Deschutes County, its officers, agents, employees, and volunteers as an additional insured. The policy shall be written on an occurrence basis unless approved and authorized by Lessor. There shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage during the term of this Lease. Lessee can meet the requirements of this section through a state-approved, self-insurance program so long as the program provides adequate levels of coverage to comply with this agreement.

16.5.1 Claims Made Policies/Tail Coverage: If any of the required insurance policies is on a "claims made" basis, Lessee shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of this continuous "claims made" coverage is on or before the effective date of this Lease, for a minimum of twenty-four (24) months following the end of the lease agreement. Notwithstanding the foregoing twenty-four (24) month requirement, if Lessee elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then Lessee may request and be granted approval of the maximum "tail" coverage period reasonably available in the marketplace. If approval is granted,

Lessee shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace. Claims Made Policy (completed by County Risk Management)

Approved Not Approved

16.6 Lessee shall furnish a current Certificate of Insurance to Lessor. The Certificate shall state the deductible or, if applicable, the self-insured retention level. Lessee shall be responsible for any deductible or self-insured retention. Lessee shall notify the County in writing at least 30 days in advance of any cancellation, termination, material change, or reduction of limits of the insurance coverage.

17. INDEMNIFICATION. Lessee shall be responsible for any and all injury to any and all persons or property caused directly or indirectly by reason of any and all activities by Lessee, its officers, agents, employees and invitees, on or in connection with the leased property; Lessee further agrees to indemnify, defend, and save harmless Lessor, its officers, agents, employees, and volunteers (collectively, "Lessor's Agents") from and against all claims, suits or action, damages, costs, losses and expenses in any manner resulting from, arising out of, or connected with any such injury. Lessor shall be responsible for the gross negligence and willful misconduct of Lessor. Provided however, consistent with its status as a public body, Lessor enjoys certain privileges and immunities under the Oregon State Constitution, Article XI, and Oregon Revised Statutes 30.260 through 30.300, the Oregon Tort Claims Act, and thus its liability exposure is restricted.

18. ASSIGNMENT AND SUBLEASE. Lessee will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, or by operation of law) all or any part of Lessee's interest in this Agreement and/or in the Property or Site (collectively, "Transfer") without Lessor's prior written consent. Notwithstanding anything to the contrary set forth in this Agreement, Lessee shall have the right to assign or transfer its interest in this Agreement to any affiliate of Lessee or subsidiary of Lessee's ultimate parent, without Lessor's consent but with written notice to Lessor. Upon any approved Transfer, (a) the terms and conditions of this Agreement will in no way be deemed to have been waived or modified, (b) consent will not be deemed consent to any further Transfer, and (c) no Transfer relating to this Agreement, whether with or without Lessor's consent, will modify, relieve, or eliminate any liability or obligations Lessee or any guarantor of this Agreement may have under this Agreement. Any Transfer which does not comply with this Agreement will be void and will constitute a breach of this Agreement.

19. DEFAULT. Each of the following will constitute an "Event of Default" and a breach of this Agreement:

19.1 Failure of Lessee to pay taxes or assessments as applicable, utilities or any or other charge. If Lessor is notified of any such amounts related to the Site or Lessee's operations specific to the Site, said amounts must be paid by Lessee within ten (10) business days after written notice from Lessor.

19.2 Failure of Lessee to perform or comply with any term, condition, and/or covenant or fulfill any obligation of the Agreement (other than the payment of rent or other charge, cost, and/or expense) within thirty (30) days after written notice is received by Lessee from Lessor specifying the nature of the default with reasonable particularity. If the failure is in such a nature that it cannot be completely remedied within the thirty (30) day period, the failure will not be a default if Lessee begins correction of the failure within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable, so long as a full cure of said default is made within ninety (90) days of the original written notice.

19.3 Attachment, execution, levy, and/or other seizure by legal process of any right or interest of Lessee under this Agreement if not released within thirty (30) days.

19.4 Lessee becomes insolvent within the meaning of the United States Bankruptcy Code, as amended from time to time; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.

20. REMEDIES ON DEFAULT.

20.1 Upon the happening of an Event of Default, the Agreement may be terminated at the option of the Lessor or Lessee by notice in writing to Lessee or Lessor. The notice may be given at any time after any grace period for default given under Section B.19. All of Lessee's rights in relation to the Site and in all improvements on the Site will terminate as of the date of termination and/or expiration. Promptly after such notice, unless agreed upon by the Parties in writing, Lessee will surrender and vacate the Site and all improvements in broom clean and in good condition. Lessor may reenter and take possession of the Property and of all improvements and eject some or all parties in possession except any sub-lessee qualifying under any non-disturbance agreement by Lessor. Lessor and Lessee will have all rights and remedies available to Lessor and Lessee under this Agreement, at law, and in equity. Termination under this Section will not relieve Lessee from the payment of any sum then due to Lessor or from any claim for damages previously accrued or then accruing against Lessee. Termination under this Section will not relieve Lessor from the payment of any sum then due to Lessee or from any claim for damages previously accrued or then accruing against Lessor. If the Site is abandoned by Lessee in connection with a default, termination shall be automatic and without notice.

20.2 In the event Lessor terminates this Lease, the Lessor, or those having the Lessor's estate in the Property, lawfully at its option, may enter into and upon said demised Property and every part thereof, and repossess the same of Lessor's former estate, and expel said Lessee and those claiming by and through or under

Lessee, and remove Lessee's effects at Lessee's expense, forcibly if necessary, and store the same, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or preceding breach of covenant. If Lessor terminates the Agreement, Lessor will be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of this Agreement, and in addition to any other damages recoverable by Lessor, the reasonable costs of reentry and reletting including, without limitation, the cost of any clean-up, refurbishing, removal of Lessee's property and fixtures, and/or any other expense occasioned by Lessee's failure to quit the Property upon termination and to leave the Property in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs.

20.3 The foregoing remedies shall be in addition to, and shall not exclude, any other remedy available to Lessor under applicable law.

21. TERMINATION AND SURRENDER.

21.1 Upon expiration, abandonment, termination, revocation or cancellation of this Agreement, the Lessee shall at its sole cost and expense, surrender the Site to Lessor in the same condition as the Site was on the date of possession, except, that nothing in this Agreement shall be construed as to relieve Lessee of Lessee's affirmative obligation to surrender said Site in a condition which complies with all Legal Requirements. Upon Lessor's written approval, Lessee may leave Site improvements authorized by any land use permit. Lessee's obligation to observe and perform this covenant shall survive the expiration or the termination of the Agreement.

21.1.1 Lessee shall be permitted to remove micro-shelters from the Site in a timely manner and shall coordinate with Lessee for access to the Site.

21.2 Termination on Default. In the event of a default, the Agreement may be terminated at the option of the non-defaulting Party by notice in writing to the other(s). The non-defaulting Party(s) shall be entitled to any remedies available to that Party under applicable law.

21.3 Termination (Convenience) of Agreement. It is the intent of the Parties hereto that the Site shall be used during said term as outlined in Section B.1. Notwithstanding this intent, Parties have the right to terminate this Agreement at any time upon giving the other Party ninety (90) days written notice and in accordance with Section B.21.

22. PERSONAL PROPERTY.

22.1 All personal property placed upon the leased Property during the term of this Agreement by Lessee shall remain the property of Lessee except as otherwise provided herein.

22.2 Unless agreed upon in writing by the Parties, upon abandonment, expiration, termination, revocation, or cancellation of this Agreement, Lessee shall remove from the Site all site improvements and personal property of Lessee on or

prior to the date of such termination. If Lessee fails to remove all or part of such personal property on the expiration or termination of this Agreement then all such personal property shall become the property of Lessor.

23. NOTICES. Any notice by Lessee to Lessor or Lessor to Lessee must be mailed first class by the United States Postal Service (USPS), postage prepaid, addressed to the other at the address given below or at such other address as either may designate by written notice. Notice shall be deemed effective three (3) calendar days following posting at a USPS location as herein described.

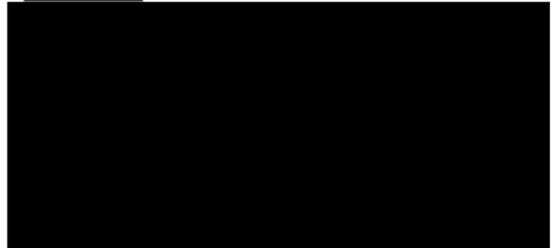
LESSOR:

Deschutes County
Attention: Property Manager
P.O. Box 6005
Bend, Oregon 97708-6005

Office: 541-385-1414
Kristie.Bollinger@deschutescounty.gov

Physical:
14 NW Kearney
Bend, OR 97703

LESSEE:



24. NONWAIVER. Waiver by either party of strict performance of any provision of this Agreement shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
25. PARTNERSHIP. Lessor is not by virtue of this Agreement a partner or joint venture with Lessee in connection with activities carried on under this Agreement and shall have no obligation with respect to Lessee's debts or any other liabilities of each and every nature.
26. LESSEE NOT AN AGENT OF LESSOR. It is agreed by and between the Parties that Lessee is not carrying out a function on behalf of the Lessor, and that Lessor does not have the right of direction or control of Lessee's operation under this Agreement or to exercise any control over the activities of Lessee.
27. LAND USE PERMIT. This Agreement does not constitute a land use permit, nor does acceptance of this Agreement by Lessor constitute approval of any legislative or quasi-judicial action required as a condition precedent to use of the land for the intended purpose. Lessee's possession of the Site pursuant to Section B.4 for the use described in Section B.6 of this Agreement and obligations under this Agreement are contingent upon the approval of any necessary land use permits. If Lessee is unable or unwilling to meet conditions of land use permits, Lessee has the right to terminate this Agreement, with thirty (30) days written notice to Lessor.
28. LESSOR'S RIGHT TO CURE DEFAULTS. If Lessee fails to perform any obligations under this Agreement, Lessor shall have the option, but not the obligation, to do so after thirty (30) days' written notice to the Lessee. All of Lessor's actual and reasonable expenditures to correct the default shall be reimbursed by Lessee on demand with

interest at the rate of nine percent (9%) per annum from the date of expenditure by Lessor. In the event that Lessee, upon using Lessee's best efforts, is unable to obtain all required land use permits, Lessee may terminate this Agreement upon written notice to Lessor. Lessee shall remain liable to Lessor following termination for all unpaid lease payments, charges and damages due prior to termination and any damages, expenses, costs or losses suffered by Lessor due to Lessee's termination of this Agreement.

29. NON-DISCRIMINATION: No person shall be subject to discrimination in the receipt of any services or benefits made possible by, or resulting from this Agreement on the grounds of sex, race, color, religion, creed, marital status, age, national origin, or disability. Any violation of this provision may be considered a material breach of this Agreement and grounds for termination by Lessor.
30. LITIGATION FEES AND EXPENSES. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
31. TIME IS OF THE ESSENCE. Time is of the essence of each and every provision of this Agreement.
32. AUTHORITY. Lessee covenants that it possesses the legal authority to bind its principals to the terms, provisions and obligations contained within this Agreement. If it is determined that Lessor does not have authority to enter into this Agreement, Lessor may terminate this Agreement by providing written notice to Lessee.
33. MEDIATION and ARBITRATION.
 - 33.1 Mediation. Before any party to this Agreement initiates Arbitration and/or litigation in Circuit Court, the parties must first attempt non-binding mediation. The parties shall split the cost of the mediator. If the parties are unable to agree on selection of the mediator, then the Director at Central Oregon Mediation shall choose. The mediation shall last no more than four (4) hours in duration.
 - 33.2 Disputes for Arbitration. If any dispute arises between the Parties and the dispute cannot be resolved, the Parties may submit the same to binding arbitration. If the Parties are unable to agree upon arbitration, then either party may apply to the presiding judge of Deschutes County to appoint the required arbitrator.
 - 33.3 Procedure for Arbitration. The arbitration shall proceed according to the Oregon statutes governing arbitration, and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Deschutes County. Common costs of the arbitration shall be shared equally by the Parties, but each

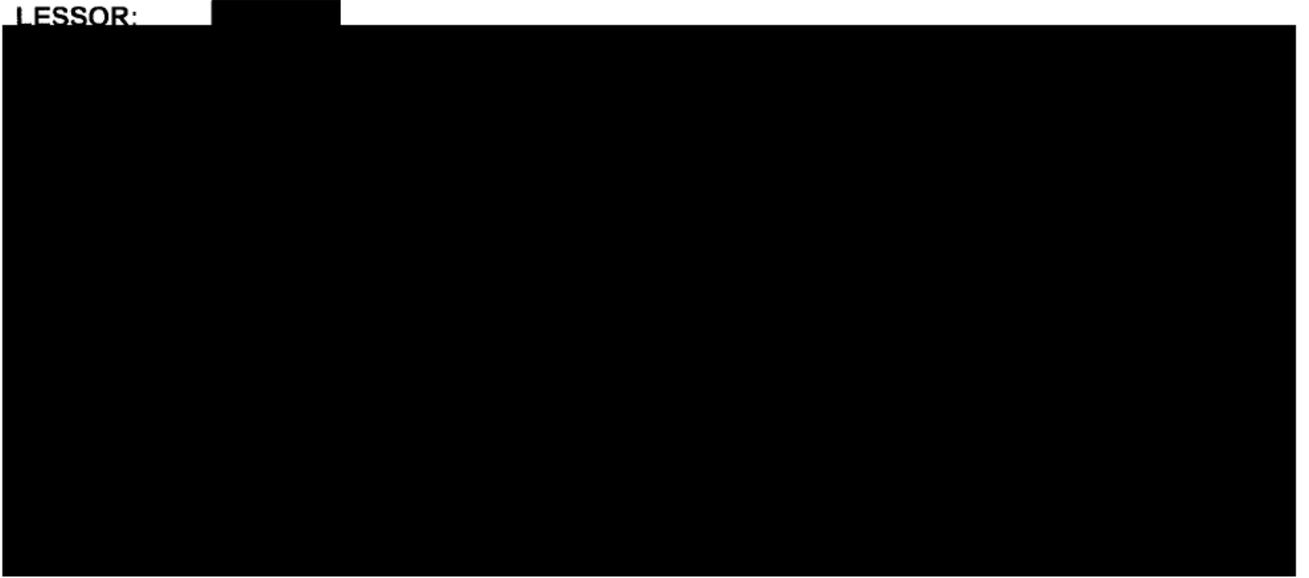
Party shall pay its own attorney fees incurred in connection with the arbitration.

35. ENTIRE AGREEMENT. This Agreement and attached Exhibits, if any, constitute the entire agreement between the Parties concerning the subject matter of the Agreement and supersede any and all prior or contemporaneous negotiations and/or agreements between the Parties, whether written or oral, concerning the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be modified or amended except by a writing signed by all Parties to this Agreement.
36. LESSOR DEFAULT. No act or omission of Lessor will be considered a default under this Agreement until Lessor has received thirty (30) days' prior written notice from Lessee specifying the nature of the default with reasonable particularity. Commencing from Lessor's receipt of such default notice, Lessor will have thirty (30) days to cure or remedy the default before Lessor will be deemed in default of this Agreement; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the twenty-day cure period, there will not be a default by Lessor under this Agreement if Lessor begins correction of the default within the thirty-day cure period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.
37. INTERPRETATION. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.
38. SEVERABILITY/SURVIVAL. If any of the provisions contained in this Agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired. All provisions concerning the limitation of liability, indemnity and conflicts of interest shall survive the termination or expiration of this Agreement for any cause.

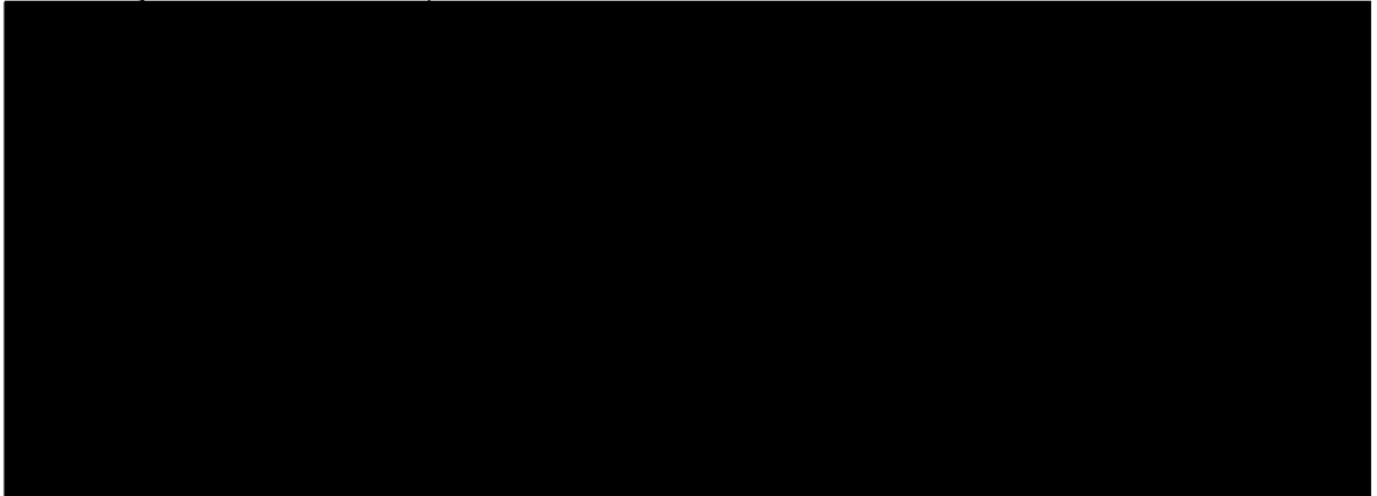
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be effective for all purposes as of the Effective Date.

LESSOR:



STATE OF OREGON)
) ss.
County of Deschutes)



[SIGNATURE PAGE FOLLOWS]

LESSEE:



STATE OF OREGON)
) ss.
County of Deschutes)

