

GROUND LEASE

This GROUND LEASE (this "**Agreement**") dated _____, 2026, is entered into between the CITY OF BOARDMAN ("**City**") and BOARDMAN COMMUNITY DEVELOPMENT ASSOCIATION, an Oregon nonprofit corporation ("**BCDA**," and together with **City** the "**Parties**").

RECITALS

- A. On November 4, 2025, City and BCDA entered into a Ground Lease agreement, leasing tax lot 04N25E090000117 to BCDA for the construction and operation of pickleball courts. BCDA has not yet constructed the pickleball courts under this agreement, and City and BCDA have mutually agreed to change the site of the pickleball court construction and operation to an alternate location.
- B. City owns a parcel commonly known as Lot 2 of Plat of City Center Subdivision, recorded October 11, 2001 as File No. M-2001-0418 of Morrow County Records, more fully described in Exhibit A (the "**Property**").
- C. In light of the growing demand for pickleball in the Boardman community and the economic benefits to City resulting from organized tournaments, City desires to lease the Property to BCDA to construct and maintain pickleball courts thereon for recreational use.
- D. With this Agreement, the Parties terminate the November 4, 2025 Ground Lease, and City leases to BCDA the Property to construct and maintain pickleball courts thereon.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein set forth, and incorporating the above Recitals as if fully set forth below, City leases to BCDA and BCDA leases from City the Property on the terms and conditions stated below.

Section 1. Termination of Prior Lease and Term

- 1.1 Effective Date.** The terms and conditions of this Agreement are effective immediately upon signing by both Parties ("Effective Date").
- 1.2 Termination of Prior Lease.** Effective as of the Effective Date, the City-BCDA Ground Lease for tax lot 04N25E090000117 for the construction and operation

of pickleball courts dated November 4, 2025 shall terminate and be of no further force or effect.

- 1.3 Original Term.** The term of this ground lease Agreement shall commence on Effective Date and continue through November 4, 2075, unless sooner terminated as hereinafter provided (the "**Term**").

Section 2. Rent

- 2.1 Base Rent.** In lieu of rent, BCDA shall be obligated to construct pickleball courts on the Property for use by the general public in accordance with Section 4 herein.
- 2.2 Additional Rent.** Insurance costs, utility charges that BCDA is required to pay by this Agreement, and any other sum that BCDA is required to pay to City or third parties shall be additional rent.

Section 3. Use of the Property

- 3.1 Permitted Use.** The Property shall be for the construction and operation of pickleball courts and for no other purpose without the written consent of City in its sole discretion.
- 3.2 Restrictions on Use.** In connection with the use of the Property, BCDA shall:
- 1) Conform to all applicable laws and regulations of any public authority affecting the Property and the use, and correct at BCDA's own expense any failure of compliance created through BCDA's fault or by reason of BCDA's use.
 - 2) Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the Property.
 - 3) Maintain and enforce operational hours as designated by City and BCDA to prevent noise levels from interfering with neighboring premises use and enjoyment of their property.
 - 4) Not charge to use the Property, as the term "charge" is defined in ORS 105.672, without first obtaining the written permission of City. In the event that City allows BCDA to charge for use of the Property, BCDA agrees to fully defend and indemnify the City against any and all claims, demands, and/or other liabilities that would otherwise be protected under ORS 105.668 - 105.700.

Section 4.Improvements

- 4.1 Pickleball Court.** BCDA shall construct pickleball courts in compliance with USA Pickleball specifications and related improvements commensurate with and necessary for the authorized use of the Property and for the conduct of its operations there. Parking for the pickleball courts shall be located on the north end of the Property and shall be shared with the Boardman Police Station. All improvements shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. BCDA will be responsible for the acquisition and maintenance of any and all permits and licenses for the construction of the improvements to and upon the Property. BCDA shall maintain all improvements and structures in good condition and repair.
- 4.2 Improvements upon Expiration or Termination.** Upon expiration or termination of the Agreement, all improvements shall automatically become the property of City and shall thereafter be surrendered to City as permanent fixtures of the Property.

Section 5.Repairs and Maintenance

- 5.1 City's Obligations.** City shall be under no obligation to make or perform any repairs, maintenance, replacements, alterations, or improvements on the Property.
- 5.2 BCDA's Obligations.** BCDA, at its expense, shall maintain, repair, and replace the Property and any improvements placed thereon as necessary to keep them in good order, condition, and repair, operating condition, working order, and appearance and accordance with all City standards. BCDA's obligations shall extend to both structural and nonstructural items and to all maintenance, repair, and replacement.
- 5.3 Inspection of Property.** The right is hereby reserved to City, its officers, agents, and employees, to enter upon the Property at all reasonable times and for any purpose necessary or convenient and inspect the same in order to determine whether BCDA is complying with the terms and conditions of this Agreement or for any other purpose reasonably required by City in the exercise of its duties under the law.

Section 6. Waste

BCDA shall not do or suffer any strip, waste, or damage of the Property or improvements and alterations and will comply at BCDA's expense with all statutes, ordinances, rules, regulations, restrictive covenants, notices, orders, and other requirements of any governmental authority.

Section 7. Liability Insurance

- 7.1 **Insurance Requirement.** Before the beginning of the Term, BCDA shall procure and thereafter during the term of the Agreement shall continue to carry the following insurance at its cost: public liability and property damage insurance in a responsible company with limits of not less than \$1,000,000.00 for injury to one person, \$2,000,000.00 for injury to two or more persons in one occurrence, and \$1,000,000.00 for damage to property.
- 7.2 **Risks Covered and Certificates.** Such insurance shall cover all risks arising directly or indirectly out of BCDA's activities on or any condition of the leased premises whether or not related to an occurrence caused or contributed to by the City's negligence, shall protect against the claims of City on account of the obligations assumed by BCDA under Paragraph 10, and shall protect the City and BCDA against claims of third persons. Certificates evidencing such insurance and bearing endorsements requiring ten days' written notice to City prior to any change or cancellation shall be furnished to City prior to BCDA's occupancy of the property.

Section 8. Liens.

BCDA shall pay as due all claims for work done and/or for services rendered or materials furnished to the Property and shall keep the Property free from any and all liens.

Section 9. Taxes; Utilities

- 9.1 **Taxes.** BCDA shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments, and similar charges, which, at any time during the term of this Agreement, may be taxed, assessed, or imposed upon the City or upon BCDA with respect to or upon the Property or improvements thereon.
- 9.2 **Payment of Utilities Charges.** BCDA shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Property.

Section 10. Indemnity

BCDA agrees to save and keep harmless and indemnify City from any and all costs, expenses, and damages and any and all claims, demands, or liability, on account or by reason of any act or omission, negligent or otherwise, of BCDA or any of its employees, officers, agents, contractors, or licensees, and in the event that any proceeding or suit is instituted against City or any of its officers or agents on account of any such claim as herein mentioned, then BCDA shall defend the same therein on behalf of the City or any of its officers, employees or agents. If

BCDA refuses or neglects to so defend any and all such actions, it shall pay all costs, expenses, and attorney's fees which City or its officers, employees or agents are subject to in the defense of the same. City shall have no liability to BCDA for any injury, loss, or damage caused by third parties, or by any condition of the Property.

City shall have no liability for the failure or interruption of utilities.

Section 11. Assignment and Subletting

No part of the Property may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the Property be conferred on any third person by any other means, without the prior written consent of City in its sole discretion. This provision shall apply to all transfers by operation of law. This provision shall apply to any transfer of a majority voting interest in stock or partnership interest of BCDA or other future tenants. No consent in one instance shall prevent the provision from applying to a subsequent instance. City shall consent to a transaction covered by this provision when withholding such consent would be unreasonable in the circumstances.

Section 12. Default

The following shall be events of default:

12.1 Default in Sums Required. Failure of BCDA to pay any sums required under this Agreement within 10 days after it is due.

12.2 Default in Other Covenants. Failure of BCDA to comply with any term or condition or fulfill any obligation of this Agreement (other than the payment of sums required under this Agreement) within 30 days after written notice by City specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if BCDA begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

Section 13. Remedies on Default

13.1 Termination for Default. In the event of a default, the Agreement may be terminated at the option of City by written notice to BCDA. Whether or not the Agreement is terminated by the election of City or otherwise, City shall be entitled to recover damages from BCDA for the default, and City may reenter, take possession of the Property, and remove any persons or property by legal action or by self-help with the use of reasonable force, and without liability for damages and without having accepted a surrender.

- 13.2 **Other Remedies.** City shall have all remedies available under applicable law in the event of BCDA's default.
- 13.3 **Right to Sue More than Once.** City may sue periodically to recover damages during the period corresponding to the remainder of the Term, and no action for damages shall bar a later action for damages subsequently accruing.
- 13.4 **City's Right to Cure Defaults.** If BCDA fails to perform any obligation under this Agreement, City shall have the option to do so after 30 days' written notice to BCDA. All of City 's expenditures to correct the default shall be reimbursed by BCDA on demand with interest at the rate of 9% annum from the date of expenditure by City. Such action by City shall not waive any other remedies available to City because of the default.
- 13.5 **Remedies Cumulative.** The foregoing remedies shall be in addition to and shall not exclude any other remedy available to City under applicable law.

Section 14. Surrender at Expiration

- 14.1 **Condition of Property.** On or before 15 days after the expiration of this Agreement or its termination by either party, BCDA shall, at its expense, vacate the Property, remove its property therefrom, and restore the Property to as good order and condition as that existing upon the date of the commencement of the term of this Agreement, less ordinary wear and tear to the Property. If BCDA shall fail or neglect to remove its property and so restore the Property, then, at the option of City, the property of BCDA shall either become the property of the City without compensation therefor, or City may cause it to be removed and Property to be so restored at the expense of BCDA, and no claim for damages against the City or its officers or agents, shall be created by or made on account of such removal and restoration work.

14.2 Holdover

- 1) If BCDA does not vacate the Property at the time required, City shall have the option to treat BCDA as a tenant from month-to-month, subject to all of the provisions of this Agreement except the provisions for term and renewal, or to eject BCDA from the Property and recover damages caused by wrongful holdover. Failure of BCDA to remove fixtures or trade fixtures that BCDA is required to remove under this Agreement shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Property by another tenant or with occupancy by City for any purpose including preparation for a new tenant.
- 2) If a month-to-month tenancy results from a holdover by BCDA under this Section 14.2, the tenancy shall be terminable at the end of any monthly rental period on written notice

from City given not less than 10 days before the termination date which shall be specified in the notice. BCDA waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

Section 15. Miscellaneous

15.1 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. The acceptance of a late payment of sums required under this agreement shall not waive the failure to perform an obligation under this Agreement except for the failure to pay the required sums so accepted when due and shall not affect City 's remedies for failure to perform such other obligations.

15.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

15.3 Notices. Proper notice under this Agreement requires a written letter delivered by a party to this Agreement to the other party by both electronic mail and first-class US mail, sent to the appropriate individual listed below, who shall be responsible for and shall be the contact person for their respective party for all communications regarding the performance of this Agreement. Notice shall be deemed effective as of the date of the electronic mail so long as receipt is confirmed by the receiving party with a reply electronic mail, or in any event, three days following mailing by first class US mail. The designated contact person for each party is as follows:

City of Boardman Attn: City Manager
P.O. Box 229
Boardman, OR 97818
Email: _____

Boardman Community Development Association Attn.: Executive Director
P.O. Box 227
Boardman, OR 97818
Email: _____

Either party may change its respective contact person or address listed above by written notice to the other party.

15.4 Succession. Subject to the above-stated limitations on transfer of BCDA's interest, this Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

- 15.5 Time of Essence.** Time is of the essence of the performance of each of BCDA's obligations under this Agreement.
- 15.6 Representations.** BCDA acknowledges that it has examined the Property and accepts it "As Is" and "With All Faults." BCDA further acknowledges that no representations as to the condition of the Property have been made by City or any agent or person acting for City. City shall not be liable for injury or damage to person or property occurring within the Property, unless caused by or resulting from an affirmative act of negligence on the part of City.
- 15.7 Captions.** The captions heading the sections and subsections of this Agreement are inserted for convenience of reference only, and are not to be used to define, limit, construe or describe the scope or intent of any term, provision or section of this Agreement.
- 15.8 Integration.** This Agreement contains the final and exclusive agreement and understanding of the parties with respect to the subject matter of it, and supersedes all prior and contemporaneous agreement, oral or written. Except as set forth in this Agreement, there are no promises, representations, agreements, or understandings, oral or written, among the parties relating to the subject matter of this Agreement.
- 15.9 Modification.** This Agreement may not be amended or modified except by written agreement executed by the Parties affected thereby.
- 15.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Electronic signatures transmitted either via facsimile or electronic mail in portable document format (pdf) are binding on the party providing the facsimile or electronic mail signatures.

IN WITNESS WHEREOF, this Agreement is executed as of the ____ day of _____, 2026.

City of Boardman

By: _____
Brandon Hammond, City Manager

Boardman Community Development Association

By: _____
Torrie Griggs, Executive Director