





This memorandum of understanding (this "MOU") is entered by and between YU Contemporary, Inc., as Oregon based 501(c)(3) non-profit corporation ("Grantee"), and \_\_\_\_\_ LLC (an entity associated with Killian Pacific to be formed), an Oregon limited liability company ("Grantor"), collectively the "Parties," and outlines the terms the Parties intend to include in a future binding agreement for the financing, curation, installation and maintenance of public art in a mixed-use development (the "Agreement").

This memorandum of understanding (this "MOU") is entered by and between YU Contemporary, Inc., as Oregon based 501(c)(3) non-profit corporation ("Grantee"), and \_\_\_\_\_ LLC (an entity associated with Killian Pacific to be formed), an Oregon limited liability company ("Grantor"), collectively the "Parties," and outlines the terms the Parties intend to include in a future binding agreement for the financing, curation, installation and maintenance of public art in a mixed-use development (the "Agreement").

RECITALS

- A. Grantor is the owner of the real property in Portland, Oregon depicted on the attached Exhibit A ("Grantor's Property"), which is anticipated to be developed with a mixed-use project that is currently under review for design review (L1 14-12508 DZM AD) (the "Project"), and is referred to in the community as LOCA or Goat Hub.
- B. Grantee occupies a contemporary art institution located at 809 SW 10th Avenue in Portland, Oregon ("Grantee's Property").
- C. The Parties desire to enhance positive community interactions with art by collaborating to integrate art into the Project in such a way as to maximize the public benefits of the Project and by integrating art onto the exterior of the existing building owned by Grantee's Property.
- D. The Parties desire to work together to fund the initial installation and ongoing maintenance of permanent works of art, and/or rotating works of art. The Parties have identified

**NOW THEREFORE**, in consideration of the foregoing Recitals and the mutual benefits to be derived from this MOU, the parties intend to include the following terms in the Agreement:

- 1.04 CA Site Art. *Center residents will get a great, peaceful, nonexclusive experience across areas to be determined in the future ("Future Art Easement Areas") for use by visitors (as defined below) for the installation, maintenance, replacement and use of art. The Future Art Easement Areas are tentatively expected to include the areas that are depicted on Exhibit B3:*
- a. *Area #1 -- An area within or part of the Project's entry stair area located corner of SE Belmont and SE 10th Avenue, directly across the street from SE's Property. The art in Area #1 is expected to be permanent in nature.*
  - b. *Area #2 -- An area within the Project along the eastern wall of the north-south pedestrian alleyway (the "Main Art Walk") that connects the SE Belmont and SE stair entry to the east-west pedestrian alley adjacent with Yamhill Street (the "Smith Art Alley"). This art in Area #2 is expected to be a projected display*

### DIAGRAM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT "LOCA" OR "GOAT BLOCK"

medium that is projected from the Project's western smaller eastern wall of the Market Art Walk. The art projected may time, or a collection of both.

- c. **Area #3** -- An area within the Project at the intersection of Walk and Yonhill Alley, which may include art by local artists, but the nature of the art within Area #3 is to be determined.

"Permitted Users" will be defined in the Agreement, and is expected to include the Parties' respective agents, employees, contractors and successors.

2. **Financial Contributions.** It is expected that Grantor responsible for the initial and ongoing sourcing of funds required to rotate or replace art on the Project and Grantee's Property. Grantor's subject to the terms negotiated in the Agreement, but is expected to ter year term from the effective date of the Agreement ("Grantor's and is expected to be deployed and leveraged by Grantee to secure a the following fashion:

- a. Grantor would make up to \$125,000 available time to be specified in the Agreement (the "LOCA Seed Grant" installing art in the Future Art Encounter Areas). This would include two components:
  - i. An initial payment from Grantor to Grantee.
  - ii. Up to \$50,000 to be distributed from a matching fund for Grantee's funding (the "Challenge Fund"), to be specified in anticipated the LOCA Challenge Fund stipend and Grantee's use of it for Grantee's fundraising efforts to finance rotating art within so-designated areas of Encounter Area so that the art is fresh and public's repeat visiting.
- b. \$50,000 from Grantor to Grantee, which will be annual installments of \$5,000 (the "Annual Contribution Agreement"). It is anticipated that the Annual Contribution to Grantee's will be at its general funds and donated funds and

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION  
KNOW AS "LOCA" OR "GOAT BLOCK"

11-GAL-127533910-1

UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT KNOWN AS "LOCA" OR "GOAT BLOCK"

Understanding (this "MOU") is entered by and between YH LLC, a limited liability company ("Grantor"), and Kilihin Pacific, LLC ("Grantee"), an Oregon limited liability company ("Parties"), and outlines the terms the Parties intend to enter into for the financing, creation, installation and maintenance of art within the Project (the "Agreement").

RECITALS

1. The Project is located at 800 SE 10th Avenue in Portland, Oregon depicted on the attached map ("Property"), which is anticipated to be developed with a mixed-use project for design review (L.L. 14-12508 DCM AD) (the "Project") in the community as LOCA or Goat Block.

2. The Project is a contemporary art installation located at 800 SE 10th Avenue in Portland, Oregon ("Property").

3. The Parties intend to enhance positive community interaction with art by installing art within the Project in such a way as to energize the public realms of the Project and onto the exterior of the existing building on Grantee's Property.

4. The Parties intend to work together to fund the initial installation and ongoing maintenance of art, and/or rotating works of art. The Parties have identified the following areas within the Project to serve these purposes:

5. The Parties intend to include the following terms in the Agreement:

6. The Parties intend to include the following terms in the Agreement:

7. The Parties intend to include the following terms in the Agreement:

8. The Parties intend to include the following terms in the Agreement:

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58. The Parties intend to include the following terms in the Agreement:

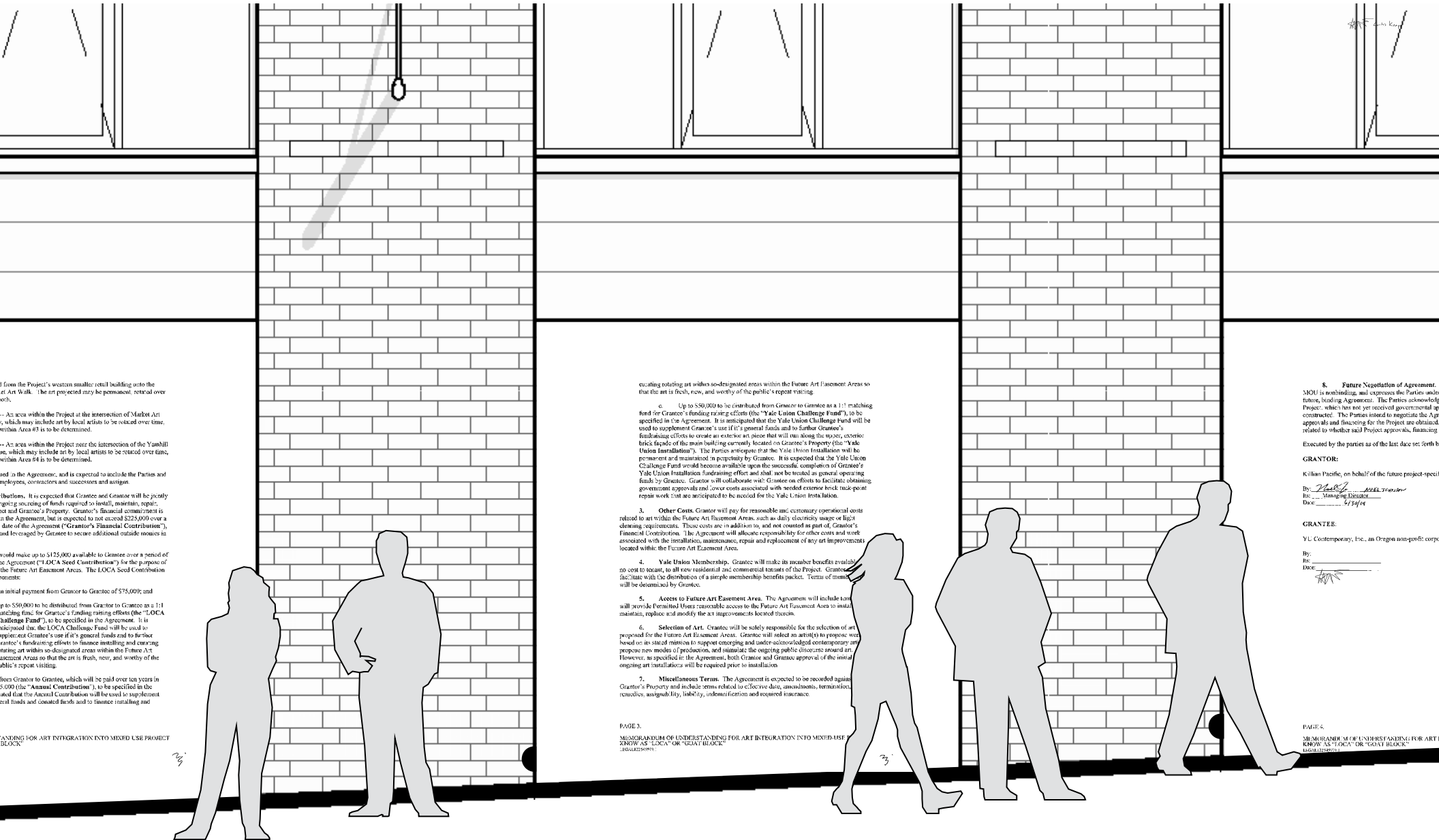
59. The Parties intend to include the following terms in the Agreement:

60. The Parties intend to include the following terms in the Agreement:

61. The Parties intend to include the following terms in the Agreement:

62. The Parties intend to include the following terms in the Agreement:

63. The Parties intend to include the following terms in the Agreement:



from the Project's western smaller retail building into the  
of Art Walk. The art projected may be permanent, rental over  
with.

- An area within the Project at the intersection of Market Art  
y, which may include art by local artists to be rotated over time,  
within Area #3 is to be determined.

- An area within the Project near the intersection of the Yumhill  
ue, which may include art by local artists to be rotated over time,  
within Area #4 is to be determined.

used in the Agreement, and is expected to include the Parties and  
employees, contractors and successors and assigns.

tributions. It is expected that Grantee and Grantor will be jointly  
ing securing of funds required to install, maintain, repair,  
and Grantor's Property. Grantee's financial commitment is  
in the Agreement, but is expected to not exceed \$225,000 over a  
date of the Agreement ("Grantor's Financial Contribution"),  
and leveraged by Grantee to secure additional outside monies in

would make up to \$125,000 available to Grantee over a period of  
the Agreement ("LOCA Seed Contribution") for the purpose of  
the Future Art Easement Areas. The LOCA Seed Contribution  
Grantee.

a initial payment from Grantor to Grantee of \$75,000; and

p to \$50,000 to be distributed from Grantor to Grantee as a 1:1  
atching fund for Grantor's funding raising efforts (the "LOCA  
Challenge Fund"), to be specified in the Agreement. It is  
anticipated that the LOCA Challenge Fund will be used to  
supplement Grantee's use of its general funds and to further  
Grantee's fundraising efforts to finance installing and curating  
rting art within so-designated areas within the Future Art  
Easement Areas so that the art is fresh, new, and worthy of the  
public's repeat visiting.

from Grantor to Grantee, which will be paid over ten years in  
\$5,000 (the "Annual Contribution"), to be specified in the  
ated that the Annual Contribution will be used to supplement  
eral funds and donated funds and to finance installing and

ANDING FOR ART INTEGRATION INTO MIXED USE PROJECT  
BLOCK"

curating rotating art within so-designated areas within the Future Art Easement Areas so  
that the art is fresh, new, and worthy of the public's repeat visiting.

c. Up to \$50,000 to be contributed from Grantor to Grantee as a 1:1 matching  
fund for Grantee's funding raising efforts (the "Yale Union Challenge Fund"), to be  
specified in the Agreement. It is anticipated that the Yale Union Challenge Fund will be  
used to supplement Grantee's use of its general funds and to further Grantee's  
fundraising efforts to create an extensive art piece that will run along the exposed exterior  
brick facade of the main building currently located on Grantee's Property (the "Yale  
Union Installation"). The Parties anticipate that the Yale Union Installation will be  
permanent and maintained in perpetuity by Grantee. It is expected that the Yale Union  
Challenge Fund would become available upon the successful completion of Grantee's  
Yale Union Installation fundraising effort and shall not be treated as general operating  
funds by Grantee. Grantor will collaborate with Grantee on efforts to facilitate obtaining  
governmental approvals and cover costs associated with needed exterior brick, sidewalk  
repair work that are anticipated to be needed for the Yale Union Installation.

3. **Other Costs.** Grantor will pay for reasonable and customary operational costs  
related to art within the Future Art Easement Areas, such as daily electricity usage or light  
cleaning requirements. These costs are in addition to, and not counted as part of, Grantor's  
Financial Contribution. The Agreement will allocate responsibility for other costs and work  
associated with the installation, maintenance, repair and replacement of any art improvements  
located within the Future Art Easement Area.

4. **Yale Union Membership.** Grantee will make its member benefits available  
no cost to tenant, to all new residential and commercial tenants of the Project. Grantee  
shall state with the distribution of a sample membership benefits packet. Terms of membership  
will be determined by Grantee.

5. **Access to Future Art Easement Area.** The Agreement will include language  
will provide Permitted Users reasonable access to the Future Art Easement Area to install,  
maintain, replace and modify the art improvements located therein.

6. **Selection of Art.** Grantee will be solely responsible for the selection of art  
proposed for the Future Art Easement Areas. Grantee will select an artist(s) to propose work  
based on its stated mission to support emerging and under-represented contemporary art  
propose new modes of production, and stimulate the ongoing public discourse around art.  
However, as specified in the Agreement, both Grantor and Grantee approval of the initial  
ongoing art installations will be required prior to installation.

7. **Miscellaneous Terms.** The Agreement is expected to be recorded against  
Grantor's Property and include terms related to effective date, amendments, termination,  
remedies, assignability, liability, indemnification and required insurance.

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE  
KNOW AS "LOCA" OR "GOAT BLOCK"  
(REDACTED)

8. **Future Negotiation of Agreement.**  
MOU is nonbinding, and expresses the Parties' intent to negotiate a future, binding Agreement. The Parties acknowledge  
Project, which has not yet received governmental approval  
constructed. The Parties intend to negotiate the Agreement  
approvals and financing for the Project are obtained  
related to whether said Project approvals, financing

Executed by the parties as of the last date set forth below.

GRANTOR:

Kilburn Pacific, on behalf of the future project-specific

By: Michael J. Kilburn Michael J. Kilburn  
Title: Managing Director  
Date: 6/24/14

GRANTEE:

YLC Contemporary, Inc., an Oregon non-profit corporation

By: [Signature]  
Title: Managing Director  
Date: 6/24/14

PAGE 4.

MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE  
KNOW AS "LOCA" OR "GOAT BLOCK"  
(REDACTED)

ing rotating art within so-designated areas within the Future Art Placement Areas so  
the art is fresh, new, and worthy of the public's repeat viewing.

c. Up to \$50,000 to be contributed from Grantor to Grantee as a 1:1 matching  
for Grantee's fundraising efforts (the "Yale Union Challenge Fund"), to be  
funded in the Agreement. It is anticipated that the Yale Union Challenge Fund will be  
to supplement Grantee's use of its general funds and to further Grantee's  
efforts to create an extensive art piece that will run along the exposed exterior  
façade of the main building currently located on Grantee's Property (the "Yale  
Installation"). The Parties anticipate that the Yale Union Installation will be  
event and maintained in perpetuity by Grantee. It is expected that the Yale Union  
Fund would become available upon the successful completion of Grantee's  
Union Installation fundraising effort and shall not be treated as general operating  
by Grantee. Grantee will collaborate with Grantor on efforts to facilitate obtaining  
necessary approvals and cover costs associated with needed exterior brick replacement  
work that are anticipated to be needed for the Yale Union Installation.

**Other Costs.** Grantor will pay for reasonable and customary operational costs  
within the Future Art Placement Areas, such as daily electricity usage or light  
fixtures. These costs are in addition to, and not counted as part of, Grantor's  
contribution. The Agreement will allocate responsibility for other costs and work  
with the installation, maintenance, repair and replacement of any art improvements  
in the Future Art Placement Area.

**Yale Union Membership.** Grantee will make its member benefits available  
art, to all new residential and commercial tenants of the Project. Grantee  
the distribution of a sample membership benefits packet. Terms of membership  
will be maintained by Grantee.

**Access to Future Art Placement Area.** The Agreement will include terms  
Permitted Users reasonable access to the Future Art Placement Area to install  
and modify the art improvements located therein.

**Selection of Art.** Grantee will be solely responsible for the selection of art  
the Future Art Placement Areas. Grantee will select an artist(s) to propose work  
in art mission to support emerging and under-represented contemporary art  
modes of production, and stimulate the ongoing public discourse around art.  
specified in the Agreement, both Grantor and Grantee approval of the initial  
installations will be required prior to installation.

**Miscellaneous Terms.** The Agreement is expected to be recorded against  
property and include terms related to effective date, amendments, termination,  
assignability, liability, indemnification and required insurance.

MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE  
PROJECT KNOWN AS "LOCAL" OR "GOAT BLOCK"

8. **Future Negotiation of Agreement.** The Parties acknowledge and agree that the  
MOU is non-binding, and expresses the Parties' understanding of terms that may be included in a  
future, binding Agreement. The Parties acknowledge that the MOU and Agreement relate to the  
Project, which has not yet received governmental approvals or financing and has not been  
constructed. The Parties intend to negotiate the Agreement once all required governmental  
approvals and financing for the Project are obtained. Grantor has sole and unlimited discretion  
related to whether said Project approvals, financing and construction will be pursued.

Executed by the parties as of the last date set forth below:

**GRANTOR:**

Kilian Pacific, on behalf of the future project-specific entity yet to be formed

By: ARAL THOMPSON  
Title: Managing Director  
Date: 6/24/14

**GRANTEE:**

YU Contemporary, Inc., an Oregon non-profit corporation

By: [Signature]  
Title:   
Date:

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT  
KNOWN AS "LOCAL" OR "GOAT BLOCK"  
MOU-1210701

**MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-  
USE PROJECT KNOW AS "LOCA" OR "GOAT BLOCK"**

This memorandum of understanding (this "MOU") is entered by and between YU Contemporary, Inc., an Oregon based 501(c)(3) non-profit corporation ("Grantee"), and YU Contemporary LLC [an entity assoc. with Killian Pacific to be formed], an Oregon limited liability company ("Grantor"), collectively the "Parties," and outlines the terms the Parties intend to include in a future binding agreement for the financing, curation, installation and maintenance of public art in a mixed-use development (the "Agreement").

**RECITALS**

- A. Grantor is the owner of the real property in Portland, Oregon depicted on the attached Exhibit A ("**Grantor's Property**"), which is anticipated to be developed with a mixed-use project that is currently under review for design review (LU 14-125908 DZM AD) (the "**Project**"), and is referred to in the community as LOCA or Goat Block.
- B. Grantee operates a contemporary art institution located at 800 SE 10th Avenue in Portland, Oregon ("**Grantee's Property**").
- C. The Parties desire to enhance positive community interaction with art by collaborating to integrate art into the Project in such a way as to energize the public realms of the Project and by integrating art onto the exterior of the existing building on Grantee's Property.
- D. The Parties desire to work together to fund the initial installation and ongoing maintenance of permanent works of art, and/or rotating works of art. The Parties have identified privately owned, but publicly accessible areas within the Project to serve these purposes.

**NOW THEREFORE**, in consideration of the foregoing Recitals and the mutual benefits to be derived from this MOU, the parties intend to include the following terms in the Agreement:

**1. LOCA On-Site Art.** Grantor intends to grant a perpetual, nonexclusive easement over and across areas to be determined in the future ("**Future Art Easement Areas**") for use by the Permitted Users (defined below) for the installation, maintenance, replacement and modification of art. The Future Art Easement Areas are tentatively expected to include the following areas that are depicted on Exhibit B:

- a. **Area #1** -- An area within or part of the Project's entry stair area located at the corner of SE Belmont and SE 10th Avenue, directly across the street from Grantee's Property. The art in Area #1 is expected to be permanent in nature.
- b. **Area #2** -- An area within the Project along the eastern wall of the north-south pedestrian alley way (the "**Market Art Walk**") that connects the SE Belmont and 10<sup>th</sup> stair entry to the east-west pedestrian alley aligned with Yamhill Street (the "**Yamhill Alley**"). This art in Area #2 is expected to be a projected digital display

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT  
KNOW AS "LOCA" OR "GOAT BLOCK"  
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medium that is projected from the Project's western smaller retail building onto the eastern wall of the Market Art Walk. The art projected may be permanent, rotated over time, or a collection of both.

c. **Area #3** -- An area within the Project at the intersection of Market Art Walk and Yamhill Alley, which may include art by local artists to be rotated over time, but the nature of the art within Area #3 is to be determined.

d. **Area #4** -- An area within the Project near the intersection of the Yamhill Alley and SE 11<sup>th</sup> Avenue, which may include art by local artists to be rotated over time, but the nature of the art within Area #4 is to be determined.

"Permitted Users" will be defined in the Agreement, and is expected to include the Parties and the Parties' respective agents, employees, contractors and successors and assigns.

**2. Financial Contributions.** It is expected that Grantee and Grantor will be jointly responsible for the initial and ongoing sourcing of funds required to install, maintain, repair, rotate or replace art on the Project and Grantee's Property. Grantor's financial commitment is subject to the terms negotiated in the Agreement, but is expected to not exceed \$225,000 over a ten year term from the effective date of the Agreement ("**Grantor's Financial Contribution**"), and is expected to be deployed and leveraged by Grantee to secure additional outside monies in the following fashion:

a. Grantor would make up to \$125,000 available to Grantee over a period of time to be specified in the Agreement ("**LOCA Seed Contribution**") for the purpose of Grantee installing art in the Future Art Easement Areas. The LOCA Seed Contribution would include two components:

- i. An initial payment from Grantor to Grantee of \$75,000; and
- ii. Up to \$50,000 to be distributed from Grantor to Grantee as a 1:1 matching fund for Grantee's funding raising efforts (the "**LOCA Challenge Fund**"), to be specified in the Agreement. It is anticipated that the LOCA Challenge Fund will be used to supplement Grantee's use if it's general funds and to further Grantee's fundraising efforts to finance installing and curating rotating art within so-designated areas within the Future Art Easement Areas so that the art is fresh, new, and worthy of the public's repeat visiting.

b. \$50,000 from Grantor to Grantee, which will be paid over ten years in annual installments of \$5,000 (the "**Annual Contribution**"), to be specified in the Agreement. It is anticipated that the Annual Contribution will be used to supplement Grantee's use if it's general funds and donated funds and to finance installing and

PAGE 2.

MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT  
KNOW AS "LOCA" OR "GOAT BLOCK"  
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curating rotating art within so-designated areas within the Future Art Easement Areas so that the art is fresh, new, and worthy of the public's repeat visiting.

c. Up to \$50,000 to be distributed from Grantor to Grantee as a 1:1 matching fund for Grantee's funding raising efforts (the "**Yale Union Challenge Fund**"), to be specified in the Agreement. It is anticipated that the Yale Union Challenge Fund will be used to supplement Grantee's use of its general funds and to further Grantee's fundraising efforts to create an exterior art piece that will run along the upper, exterior brick façade of the main building currently located on Grantee's Property (the "**Yale Union Installation**"). The Parties anticipate that the Yale Union Installation will be permanent and maintained in perpetuity by Grantee. It is expected that the Yale Union Challenge Fund would become available upon the successful completion of Grantee's Yale Union Installation fundraising effort and shall not be treated as general operating funds by Grantee. Grantor will collaborate with Grantee on efforts to facilitate obtaining government approvals and lower costs associated with needed exterior brick tuck-point repair work that are anticipated to be needed for the Yale Union Installation.

3. **Other Costs.** Grantor will pay for reasonable and customary operational costs related to art within the Future Art Easement Areas, such as daily electricity usage or light cleaning requirements. These costs are in addition to, and not counted as part of, Grantor's Financial Contribution. The Agreement will allocate responsibility for other costs and work associated with the installation, maintenance, repair and replacement of any art improvements located within the Future Art Easement Area.

4. **Yale Union Membership.** Grantee will make its member benefits available, with no cost to tenant, to all new residential and commercial tenants of the Project. Grantor will facilitate with the distribution of a simple membership benefits packet. Terms of membership will be determined by Grantee.

5. **Access to Future Art Easement Area.** The Agreement will include terms that will provide Permitted Users reasonable access to the Future Art Easement Area to install, maintain, replace and modify the art improvements located therein.

6. **Selection of Art.** Grantee will be solely responsible for the selection of art proposed for the Future Art Easement Areas. Grantee will select an artist(s) to propose work based on its stated mission to support emerging and under-acknowledged contemporary artists, propose new modes of production, and stimulate the ongoing public discourse around art. However, as specified in the Agreement, both Grantor and Grantee approval of the initial and ongoing art installations will be required prior to installation.

7. **Miscellaneous Terms.** The Agreement is expected to be recorded against Grantor's Property and include terms related to effective date, amendments, termination, breach, remedies, assignability, liability, indemnification and required insurance.

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT  
KNOW AS "LOCA" OR "GOAT BLOCK"  
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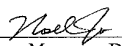
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**8. Future Negotiation of Agreement.** The Parties acknowledge and agree that the MOU is nonbinding, and expresses the Parties understanding of terms that may be included a future, binding Agreement. The Parties acknowledge that the MOU and Agreement relate to the Project, which has not yet received governmental approvals or financing and has not been constructed. The Parties intend to negotiate the Agreement once all required governmental approvals and financing for the Project are obtained. Grantor has sole and unlimited discretion related to whether said Project approvals, financing and construction will be pursued.

Executed by the parties as of the last date set forth below:


**GRANTOR:**

Killian Pacific, on behalf of the future project-specific entity yet to be formed

By:  NOEL JOHNSON  
Its: Managing Director  
Date: 6/30/14

**GRANTEE:**

YU Contemporary, Inc., an Oregon non-profit corporation

By:  Curtis Knapp  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

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MEMORANDUM OF UNDERSTANDING FOR ART INTEGRATION INTO MIXED-USE PROJECT  
KNOW AS "LOCA" OR "GOAT BLOCK"  
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