

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 6999

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASEHOLD PURCHASE AND SALE AGREEMENT WITH STATION HOSPITALITY, LLC FOR THE SALE OF A LEASEHOLD INTEREST TO UNIMPROVED REAL PROPERTY AT CASCADE STATION IN THE AIRPORT WAY URBAN RENEWAL AREA AT A SALE PRICE OF UP TO \$806,100

WHEREAS, Cascade Station is a 120-acre parcel of land owned by the Port of Portland (the "Port") located at the southwest corner of the intersection of Interstate 205 and Airport Way, within the Airport Way Urban Renewal Area ("URA");

WHEREAS, in February 1999, the Portland City Council adopted the Cascade Station/Portland International Center Plan District ("1999 Plan District"), which established land use and development entitlements and restrictions for the development at Cascade Station;

WHEREAS, on June 11, 1999, the Portland Development Commission ("PDC") Board of Commissioners (the "Board") authorized Resolution No. 5278, executing a Development Agreement with Cascade Station Development Company, LLC, ("CSDC"), a joint venture of Ben UIC Holdings, Inc. and Trammell Crow Portland Development, Inc., ("Trammell Crow") which provided for, among other things, the development by CSDC of basic site infrastructure, light rail facilities, bridges, and landscaping and established design standards, maximum development rights, plan approval processes, and PDC's goals for employment in the URA;

WHEREAS, in exchange for PDC's agreement to pay for a portion of the costs of the Airport MAX Line, the internal streets, and other infrastructure at Cascade Station, the Port agreed to grant the rights for Cascade Station development to PDC, whose development rights were subsequently assigned to CSDC in exchange for, among other things, an Assignment Fee Payment Agreement ("Junior Obligation") executed by CSDC in favor of PDC in the amount of \$14 million;

WHEREAS, on February 17, 2005, the Portland City Council adopted an ordinance amending the 1999 Plan District to allow a different mix of uses to facilitate the development of Cascade Station and to achieve the goals and objectives established by the City;

WHEREAS, on June 22, 2005, the Board approved PDC Resolution No. 6263 relating to the development at Cascade Station including approval of a First and Second Amended Development Agreement to allow for a different mix of uses and plan approval processes;

WHEREAS, pursuant to Resolution No. 6263, the Board authorized PDC's acquisition of development and lease rights held by CSDC pursuant to that certain Ground Lease dated as of July 13, 2006, by and between the Port, as Lessor, and CSDC, as Lessee, which covers approximately thirty-six

(36) acres in Cascade Station (“PDC Parcels”), all of which is more particularly described in (i) that certain Restructure Agreement dated as of May 17, 2006, by and among PDC, CSDC, and Trammell Crow and (ii) that certain Assignment of Ground Lease dated as of July 13, 2006, by and between CSDC, as assignor, and PDC, as assignee;

WHEREAS, on October 25, 2006, the Board authorized Resolution No. 6399, which executed a Professional Services Contract for brokerage services with the Grubb & Ellis Company to market and help secure buyers to acquire the leasehold estates being offered by PDC;

WHEREAS, on August 13, 2008, the Board approved Resolution No. 6626 authorizing the sale of a leasehold interest of a different parcel of PDC’s land at Cascade Station to the Canterbury Group, Inc. which proposed a hotel development on said property; however, shortly before closing, Canterbury Group, Inc. was forced to pull out of that project as the recession took hold and traditional sources of commercial financing became unavailable; and

WHEREAS, in fall 2012, representatives of the Canterbury Group, Inc. returned to PDC staff with a request to acquire a different leasehold interest from PDC under a Limited Liability Company named Station Hospitality, LLC, and PDC staff worked with them to document the proposed terms and conditions of a proposed sale, which terms and conditions are described in the Leasehold Purchase and Sale Agreement substantially in the form attached hereto as Exhibit A (the “Agreement”).

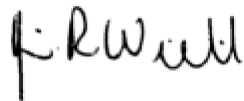
NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to execute the Agreement with Station Hospitality, LLC, for the sale of a leasehold estate in a two-acre site in Cascade Station in an amount not to exceed \$806,100;

BE IT FURTHER RESOLVED, that the Executive Director is further authorized to execute all other documents as may be necessary to complete this transaction;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Agreement so long as such changes do not materially increase PDC’s obligations or risks, as determined by the Executive Director in consultation with PDC’s General Counsel; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on April 9, 2013



Gina Wiedrick, Recording Secretary

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 6999

EXHIBIT A

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASEHOLD PURCHASE AND SALE AGREEMENT WITH STATION HOSPITALITY, LLC FOR THE SALE OF A LEASEHOLD INTEREST TO UNIMPROVED REAL PROPERTY AT CASCADE STATION IN THE AIRPORT WAY URBAN RENEWAL AREA AT A SALE PRICE OF UP TO \$806,100

Exhibit A includes this cover page and contains 46 pages:

- Leasehold Purchase and Sale Agreement
 - Exhibit A – Glossary
 - Exhibit B-1 – Legal Description – Parcel K
 - Exhibit B-2 – Legal Description of the Property
 - Exhibit B-3 – Schematic Site Plan
 - Exhibit C – Form of Ground Lease
 - Exhibit D – Pro Forma Title Policy
 - Exhibit E – Form of Station Hospitality Development Limitations Declaration
 - Exhibit F – Eligible Brands
 - Exhibit G – Form of Lease Memorandum
 - Exhibit H – Form of Ground Lease Assignment
 - Exhibit I – Form of Consent to Assignment with Release
 - Exhibit J – Form of Lease Assignment Memorandum

LEASEHOLD PURCHASE AND SALE AGREEMENT

This LEASEHOLD PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of _____, 2013 (the “Effective Date”), by and between the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon, a municipal corporation of the State of Oregon (“PDC”) and STATION HOSPITALITY, LLC, an Oregon limited liability company, and its permitted assigns (“Developer”). Capitalized terms used herein have the respective meanings set forth in the Glossary attached hereto as Exhibit A.

RECITALS

A. Pursuant to that certain Master Development Agreement dated as of May 28, 1999 (as amended from time to time, the “Master Development Agreement”), by and between the Port of Portland, a port district of the State of Oregon (the “Port”), and the PDC, the Port granted PDC the exclusive right to lease and develop certain real property commonly known as Cascade Station, located at the Portland International Airport in Portland, Oregon (“Cascade Station”).

B. Pursuant to that certain Assignment and Assumption of Certain Rights and Obligations under Master Development Agreement dated as of June 15, 1999, by and between PDC and the Cascade Station Development Company, LLC (“CSDC”), CSDC acquired the development and lease rights held by PDC under the Master Development Agreement, including the right to enter into up to twenty (20) ground leases covering, in the aggregate, the 117.5 developable acres of Cascade Station, each for an initial term expiring on June 30, 2084 (the “Initial Term”), with an option to extend for a period of fourteen (14) years to June 30, 2098 (the “Extension Term”), and the right to assign such ground leases, subject to obtaining the Port’s consent.

C. Pursuant to that certain Assignment of Ground Lease dated as of July 13, 2006, by and between the CSDC and PDC, PDC acquired the development and lease rights held by CSDC pursuant to a certain Ground Lease dated as of July 13, 2006, by and between the Port, as lessor, and CSDC, as lessee, which covers that portion of Cascade Station known as Parcel K containing approximately 4.92 acres of land and legally described on the attached Exhibit B-1 (“Parcel K”).

D. Subject to the terms and conditions set forth in this Agreement, Developer wishes to acquire a leasehold estate (“Leasehold Estate”) for the Initial Term (with rights to the Extension Term), in and to the western portion of Parcel K containing approximately 2.1 acres of land which is legally described on the attached Exhibit B-2 (the “Property”). Developer intends to acquire the Property for the purpose of constructing, developing and operating thereon a privately-owned taxable development currently anticipated to be a hotel with approximately 100 rooms and ancillary uses (collectively, the “Project”).

E. The Leasehold Estate shall be granted to Developer pursuant to a Ground Lease in substantially the form attached as Exhibit C (with such changes thereto as may be required

by the Port (whose approval is required)) (the “Ground Lease”), to be entered into at the Closing by and between the Port, as ground lessor, and PDC, as ground lessee, and (ii) an assignment by PDC to Developer of all of the ground lessee’s right, title, and interest in, to, and under the Ground Lease and an assumption by Developer of all of the ground lessee’s duties, liabilities, and obligations in, to, and under such Ground Lease with respect to the Property arising from and after the Closing Date (the “Ground Lease Assignment”).

F. A current schematic site plan for a portion of Cascade Station showing the Station Hospitality Parcel Primary Site is attached as Exhibit B-3 (the “Schematic Site Plan”). Developer warrants to PDC that the Project shall be designed in a manner which is functionally similar to the Schematic Site Plan.

AGREEMENT

In consideration of the foregoing, the mutual covenants of the parties set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties, intending to be legally bound, agree as follows:

1. Purchase and Sale of Leasehold Estate.

1.1. Agreement to Purchase and Sell.

1.1.1. On the terms and subject to the conditions set forth in this Agreement, and in consideration of the payment and assumptions contemplated by Section 1.1.2, PDC agrees (i) to enter into the Ground Lease as ground lessee at Closing, and (ii) to assign to Developer at Closing all of PDC’s right, title, and interest in, to, and under the Ground Lease.

1.1.2. On the terms and subject to the conditions set forth in this Agreement, and in consideration of the assignments contemplated by clause (ii) of Section 1.1.1, Developer agrees (i) to pay to PDC at Closing immediately available, good funds in the amount of Seven Hundred Fifty-Nine Thousand Two Hundred and Fifty-One Dollars (\$759,251) for the Leasehold Estate in and to the Property assuming the Property remains at the anticipated 91,476 square feet, the parties acknowledge and agree that the square footage of the Property may be adjusted by no more than ten percent (10%) prior to Closing to accommodate the final design of the Project and in such event, the cost for the Property shall be calculated at a rate of \$8.30 per square foot (as adjusted by this Section 1.1.2(i), the “Purchase Price”); and (ii) to assume all of PDC’s duties, liabilities, and obligations in, to, and under the Ground Lease arising from and after the Closing Date.

1.2. Earnest Money.

1.2.1. Within five (5) Business Days after the Effective Date, Developer shall deposit with the Escrow Agent immediately available, good funds in the amount of Seventy-Five Thousand and No/100 Dollars (\$75,000.00). The foregoing deposit, together with all interest earned thereon, is referred to herein as the “Earnest Money.” The Earnest Money shall be deposited by the Escrow Agent in a federally-insured, interest-bearing

account.

1.2.2. Prior to the end of the Inspection Period, the Earnest Money shall be refundable to Developer ONLY pursuant to one or more of the following circumstances.

- (a) Developer shall have determined in its sole discretion, based on such investigation as Developer elects to conduct, that it does not wish to proceed with its acquisition of the Leasehold Estate in accordance with this Agreement; or
- (b) Developer terminates this Agreement in accordance with Section 2.1.3; or
- (c) Developer terminates this Agreement pursuant to Section 7.1 due to a Breach by PDC of any obligation hereunder; or
- (d) The Port has NOT consented, pursuant to Section 1.2.2.2 of the Ground Lease, to allow the use of a portion of the Property for parking for passengers or customers of the Airport, provided that, the passengers or customers of the Airport are either: (i) Developer and its employees; (ii) a sublessee of Developer and its employees; or (iii) customers of Developer or a sublessee of Developer using the facilities developed by Developer or a sublessee of Developer as overnight guests, unless this provision is waived by the Developer; or
- (e) PDC and Developer shall have failed to execute a non-competition agreement which obligates PDC to refrain from engaging in a voluntary sale, assignment or other direct transfer to a third party of any of PDC's leasehold interest in and to any portion of Parcel K (other than the Property) for purposes of enabling a hotel development for fifteen (15) years from the Outside Closing Date.

1.2.3. Upon the occurrence of any of the events set forth in Sections 1.2.2(a) through 1.2.2(e), the parties shall promptly instruct the Escrow Agent to pay the Earnest Money to Developer. If this Agreement is terminated under any circumstances other than those described in Sections 1.2.2(a) through 1.2.2(e), the parties shall promptly instruct the Escrow Agent to pay the Earnest Money to PDC. At the Closing, the Earnest Money shall be paid to PDC and credited against the Purchase Price.

2. Pre-Closing Matters.

2.1. Title Matters.

2.1.1. A pro forma title insurance policy with respect to the Property that is satisfactory to both PDC and Developer is attached as Exhibit D (“Pro Forma Title Policy”). PDC has previously provided to Developer copies of all exceptions to title to the Property that are set forth in the Pro Forma Title Policy and that encumber the Property as of the Effective Date. All exceptions to title set forth in the Pro Forma Title Policy are referred to herein as the “Permitted Exceptions.”

2.1.2. Prior to the Outside Closing Date, either party may cause the Title Company to deliver to the parties a updated pro forma title insurance policy ("Revised Pro Forma Title Policy"). To the extent that the Revised Pro Forma Title Policy shows any exception to title to the Property that is not set forth in the Pro Forma Title Policy, the Title Company shall also deliver complete and legible copies of all documents of record relating to such exception or exceptions. Within ten (10) Business Days after receipt of any Revised Pro Forma Title Policy and the associated title documents, Developer shall give notice to PDC identifying any of the new exceptions reflected therein to which Developer objects. In the event Developer fails to give any such notice within such ten (10) Business Day period, Developer shall be conclusively deemed not to object to any of such exceptions, the Revised Pro Forma Title Policy shall thereafter constitute the Pro Forma Title Policy with respect to the Property for all purposes of this Agreement, and the new exception(s) shall be included in the Permitted Exceptions for the Property.

2.1.3. In the event Developer gives timely notice pursuant to Section 2.1.2 objecting to any new exception that materially affects the ability of the Developer to develop the Project reflected in a Revised Pro Forma Title Policy, PDC shall give notice to Developer within five (5) Business Days after receipt of Developer's notice of objection if PDC is unwilling or unable to remove such exception from title to the Property or otherwise cure such exception (which cure shall be reasonably acceptable to Developer) prior to or at the Closing. To the extent that PDC does not give timely notice with respect to any exception to which Developer has objected, PDC shall, at its sole expense, remove such exception from title to the Property, or otherwise cure such exception, prior to or at the Closing. In the event PDC gives timely notice that it is unwilling or unable to remove or cure any exception to which Developer has objected, PDC shall not be obligated to do so and Developer shall be entitled to terminate this Agreement by notice to PDC given within five (5) Business Days after receipt of PDC's notice under this Section 2.1.3 and Developer shall be entitled return of its Earnest Money. In the event Developer fails to give a timely notice of termination, Developer shall be conclusively deemed to have accepted the exception to which it previously objected, the Revised Pro Forma Title Policy containing such exception shall thereafter constitute the Pro Forma Title Policy with respect to the Property for all purposes of this Agreement, and such exception shall be included in the Permitted Exceptions for the Property.

2.2. Delivery of Certain Documents. PDC has previously delivered to Developer (i) a copy of the Existing Environmental Assessment, (ii) copies of certain geotechnical surveys of Cascade Station prepared by GeoDesigns, Inc., and dated February 10, 1999, April 27, 2001, and September 8, 2004; and (iii) copies of the Plan District, the FONSI ROD, the NEPA Assessment, the Memorandum of Agreement, the Design Standards, the Restated CC&Rs, and the Development Limitations Declaration. Developer acknowledges and agrees that neither PDC nor any of its representatives shall have any responsibility or liability whatsoever for the completeness or accuracy of any documents delivered to Developer pursuant to this Agreement, that PDC is making no representation with respect to such documents, and that Developer assumes and accepts the entire responsibility for interpreting and assessing the information provided and will rely solely on Developer's own judgment in making Developer's decision whether to purchase the Leasehold Estate.

2.3. Pre-Closing Access to the Property.

2.3.1. From time to time prior to the Closing or the earlier termination of this Agreement, and upon reasonable prior notice from Developer to PDC, Developer and its agents, employees, contractors, consultants, and other representatives shall be entitled to access to the Property at reasonable times for the purpose of conducting, at Developer's sole cost and expense, any investigation or test reasonably related to Developer's purchase of the Leasehold Estate or prospective use of the Property, including environmental assessments and testing; provided that Developer shall obtain PDC's consent through the issuance of an entry permit by PDC, before conducting any Phase 2 environmental investigation or other invasive testing of the Property; provided further that in the event Developer or any of its consultants intends to use any equipment more than thirty (30) feet in height in connection with any investigation of the Property, Developer shall give notice to the Port and shall, if required by the Port, submit a Form 7460-1 for approval by the FAA before placing or using any such equipment on the Property. Developer acknowledges that before giving its consent to any proposed Phase 2 environmental investigation or other invasive testing, PDC may be required to obtain the consent of the Port. PDC agrees to use its Diligent Efforts to obtain any such consent in a timely manner.

2.3.2. Developer shall (i) indemnify, defend, and hold harmless PDC, the Port, and their respective successors, assigns, members, directors, officers, and employees from and against any and all Damages arising from or related to Developer's activities on the Property pursuant to this Section 2.3, except to the extent caused by the willful or negligent act or omission of PDC, the Port, or any of their respective agents, contractors, or employees; and (ii) promptly restore the Property to its original condition in accordance with good engineering practices; and (iii) fully compensate PDC and the Port (as their respective interests may appear) for any physical damage to or any lien, encumbrance, or charge imposed on Cascade Station or the Property and attributable to Developer's activities pursuant to this Section 2.3. The provisions of this Section 2.3.2 shall survive the Closing or any termination of this Agreement and be fully enforceable thereafter.

2.4. Environmental Assessment.

2.4.1. Developer acknowledges that the Port has previously approved use of the Existing Environmental Assessment as the "Takedown Audit" pursuant to the Ground Lease, subject to the Port's approval of an update thereto dated not more than thirty (30) days prior to the Closing Date (the "Environmental Update"). PDC shall arrange, at its expense, for the firm that conducted the Existing Environmental Assessment to prepare the Environmental Update and shall deliver the Environmental Update to Developer and the Port promptly upon receipt. The Existing Environmental Assessment and the Environmental Update are collectively referred to herein as the "Environmental Assessment."

2.4.2. Developer (i) acknowledges and agrees that the Environmental Assessment will serve as the baseline for certain presumptions regarding responsibility for environmental matters pursuant to the Ground Lease, and (ii) agrees to confirm such acknowledgement and agreement to the Port in writing at Closing upon PDC's request.

3. Conditions to Closing.

3.1. PDC's Conditions. PDC's obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by PDC in its discretion) of each of the following conditions on or before the Outside Closing Date:

3.1.1. All representations and warranties of Developer set forth in this Agreement (considered collectively) and each such representation and warranty (considered individually) shall have been true and correct in all material respects as of the Effective Date and shall be true and correct in all material respects as of the Closing Date, as if made on the Closing Date.

3.1.2. All of the material covenants and obligations that Developer is obligated to perform or comply with pursuant to this Agreement (considered collectively) and each such covenant and obligation (considered individually) shall have been performed and complied with in all material respects.

3.1.3. Neither the consummation of this transaction nor the performance of PDC's obligations hereunder shall, directly or indirectly (with or without notice, lapse of time, or both), contravene, conflict with, or result in a violation of any applicable Legal Requirement that has been enacted, or applicable Order that has been entered, since the Effective Date. Failure of this condition 3.1.3. shall entitle Developer to the return of its Earnest Money.

3.1.4. (i) The Port shall have accepted the Environmental Assessment as the "Takedown Audit" pursuant to the Ground Lease, and (ii) the Environmental Update shall not have revealed any environmental remediation required to be undertaken on the Property. Failure of this condition 3.1.4 shall entitle Developer to the return of its Earnest Money.

3.1.5. The Port shall have (i) executed and delivered the Ground Lease and the Lease Memorandum, and (ii) evidenced its consent to the assignment of the ground lessee's interest in the Ground Lease to Developer by its execution and delivery of the Ground Lease Assignment and the Consent to Assignment at Closing. Failure of this condition 3.1.5 shall entitle Developer to the return of its Earnest Money.

3.1.6. The Port shall have executed and acknowledged the Development Limitations Declaration with respect to the Property in substantially the form attached as Exhibit E (with such changes thereto as may be required by the Port and are reasonably acceptable to PDC and Developer) ("Station Hospitality Development Limitations Declaration") and delivered it to PDC or the Escrow Agent for recordation at the Closing. Failure of this condition 3.1.6 shall entitle Developer to the return of its Earnest Money.

3.1.7. At least one (1) month prior to the Outside Closing Date, Developer shall have delivered to PDC draft commitments for financing and equity commitments in amounts sufficient to complete the acquisition, construction and development of the Project. Not later than five (5) Business Days prior to the Outside Closing Date, Developer shall have delivered to PDC binding commitments which secure all financing and equity commitments necessary to complete acquisition, construction and development of the Project, all as shall be in form and substance satisfactory to PDC.

3.1.8. Developer shall have provided evidence satisfactory to PDC, that the operator of the Project shall be one of the eligible brands listed on Exhibit F, which such list may be revised as agreed by PDC and Developer (the “Eligible Brands”).

3.2. Developer’s Conditions. Developer’s obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Developer in its discretion) of each of the following conditions on or before the Outside Closing Date. In the event of a failure of any of the conditions in this Section 3.2, unless otherwise waived by Developer, the Earnest Money shall be refundable to Developer: All representations and warranties of PDC set forth in this Agreement (considered collectively) and each such representation and warranty (considered individually) shall have been true and correct in all material respects as of the Effective Date and shall be true and correct in all material respects as of the Closing Date, as if made on the Closing Date.

3.2.1. All of the material covenants and obligations that PDC is obligated to perform or comply with pursuant to this Agreement (considered collectively) and each such covenant and obligation (considered individually) shall have been performed and complied with in all material respects.

3.2.2. Neither the consummation of this transaction nor the performance of Developer’s obligations hereunder shall, directly or indirectly (with or without notice, lapse of time, or both), contravene, conflict with, or result in a violation of any applicable Legal Requirement that has been enacted, or applicable Order that has been entered, since the Effective Date.

3.2.3. (i) The Port shall have accepted the Environmental Assessment as the “Takedown Audit” pursuant to the Ground Lease, and (ii) the Environmental Update shall not have revealed any environmental remediation required to be undertaken on the Property.

3.2.4. Any changes to the form of the Ground Lease attached as an exhibit to this Agreement which are required by the Port and which could reasonably be expected to have a material adverse effect on Developer shall be reasonably satisfactory to Developer. Developer shall conclusively and irrevocably be deemed to have approved any such changes unless Developer gives PDC notice of termination pursuant to this Section 3.2.4 within ten (10) Business Days after Developer’s receipt from PDC of a revised form of the Ground Lease reflecting any Port-required changes thereto. Any such notice of termination shall set forth in reasonable detail the reasons for Developer disapproval of such changes.

3.2.5. The Port shall have (i) executed and delivered the Ground Lease and the Lease Memorandum, and (ii) evidenced its consent to the assignment by PDC of the ground lessee’s interest in the Ground Lease to Developer by its execution and delivery of the Ground Lease Assignment and the Consent to Assignment at Closing.

3.2.6. Developer shall have received from the Title Company an irrevocable commitment to issue the Title Policy as of the Closing Date.

3.2.7. There shall have been no material adverse change to the

condition of the Property since the Effective Date.

4. Closing.

4.1. Time and Place of Closing. The purchase and sale of the Leasehold Estate shall be closed in escrow at the Title Company, or at such other location as the parties may mutually agree. Subject to the satisfaction (or waiver) of the conditions set forth in Section 3 and the provisions of Section 7.1, the Closing shall take place at a mutually-acceptable time and on a mutually-acceptable date not later than the Outside Closing Date.

4.2. PDC's Closing Deliveries. At the Closing, PDC shall deliver, or cause to be delivered, to Developer the following:

4.2.1. The Ground Lease, duly executed by PDC, as lessee;

4.2.2. A Memorandum of Lease with respect to the Ground Lease in substantially the form attached hereto as Exhibit G (with such changes thereto as may be required by the Port and are reasonably acceptable to PDC and Developer) ("Lease Memorandum"), duly executed and acknowledged by PDC;

4.2.3. A Ground Lease Assignment with respect to the Ground Lease in substantially the form attached as Exhibit H (with such changes thereto as may be required by the Port and are reasonably acceptable to PDC and Developer), duly executed by PDC;

4.2.4. A Consent to Assignment with Release with respect to the Ground Lease in substantially the form attached as Exhibit I (with such changes thereto as may be required by the Port and are reasonably acceptable to PDC and Developer) ("Consent to Assignment"), duly executed by PDC;

4.2.5. A Memorandum of Lease Assignment with respect to the Ground Lease in the form attached as Exhibit J ("Lease Assignment Memorandum"), duly executed and acknowledged by PDC; and

4.2.6. A certified copy of the resolution adopted by the Portland Development Commission Board of Commissioners which authorizes the sale of the Leasehold Estate and all other actions to be taken by PDC, as contemplated by this Agreement.

4.3. Developer's Closing Deliveries. At the Closing, Developer shall deliver, or cause to be delivered, to PDC the following:

4.3.1. The Purchase Price (less a credit equal to the Earnest Money received by PDC) by wire transfer of immediately available, good funds to the Escrow Agent; and

4.3.2. The Ground Lease Assignment, the Consent to Assignment, and the Lease Assignment Memorandum, each duly executed and, if required, acknowledged by Developer.

4.4. Other Closing Matters.

4.4.1. Developer shall pay at Closing or otherwise when due any and all fees, security deposits, and other amounts of any nature whatsoever required to be paid to the Port pursuant to the Ground Lease; provided that PDC shall pay at Closing the fee for the “Lease Assignment if a release is requested” as described in Exhibit G to the Ground Lease.

4.4.2. Any and all assessments on the Property shall be prorated between PDC and Developer as of the Closing Date. If the information necessary to prorate any such assessment is not available on the Closing Date, the parties shall prorate such assessment as soon thereafter as such information is available.

4.4.3. At the Closing, the parties shall direct the Title Company to record the Lease Memorandum, the Lease Assignment Memorandum and the Canterbury Development Limitations Declaration.

4.5. Closing Costs. The costs associated with the Closing shall be allocated as follows:

4.5.1. PDC shall pay (i) one-half of any escrow fee charged by the Escrow Agent in connection with this transaction, (ii) the recording fees for the Lease Memorandum and the Station Hospitality Development Limitations Declaration, and (iii) that portion of the premium for the Title Policy which equals the premium that would have been charged for standard, rather than extended, coverage with no endorsements.

4.5.2. Developer shall pay (i) one-half of any escrow fee charged by the Escrow Agent in connection with this transaction, (ii) the recording fees for the Lease Assignment Memorandum, and (iii) the premium for the Title Policy, to the extent it exceeds the amount described in clause (iii) of Section 4.5.1.

5. Representations and Warranties.

5.1. PDC’s Representations and Warranties. PDC represents and warrants to Developer as follows:

5.1.1. Organization and Good Standing. PDC is the duly authorized urban renewal agency of the City of Portland, Oregon, a municipal corporation of the State of Oregon.

5.1.2. Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of PDC, enforceable against PDC in accordance with its terms. Upon their execution and delivery by PDC at the Closing, the PDC Closing Documents will constitute the legal, valid, and binding obligations of PDC, enforceable against PDC in accordance with their respective terms. PDC has full power, authority, and capacity to execute and deliver this Agreement and the PDC Closing Documents and to perform its obligations hereunder and thereunder.

(b) Upon obtaining the consent of the Port to the assignment of the ground

lessee's interest in the Ground Lease, neither PDC's execution and delivery of this Agreement, nor its performance of any of its obligations hereunder, nor the consummation of this transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene or result in a violation of any resolution adopted by PDC's governing body; or (ii) contravene or result in a violation of any Legal Requirement or Order to which PDC is subject; or (iii) contravene or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, any agreement or other document to which PD is a party or by which PDC is bound.

- (c) Other than the consent of the Port to the assignment of the ground lessee's interest in the Ground Lease and the approval of the Portland Development Commission Board of Commissioners, no authorization, consent, or approval of, filing or registration with, or notification to any Governmental Authority is required for PDC's execution, delivery, and performance of its obligations under this Agreement or the closing of this transaction.

5.1.3. **Certain Proceedings.** No Proceeding is pending or, to PDC's Knowledge, has been Threatened (i) against PDC that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction, or (ii) with respect to a condemnation of all or any portion of the Property.

5.1.4. **Hazardous Substances.** To PDC's Knowledge, based solely upon the Existing Environmental Assessment and except as may be otherwise disclosed therein, (i) no Hazardous Substances have been stored or disposed of on the Property in violation of any applicable Environmental Law, and (ii) no Governmental Authority has given written notice to PDC requiring the clean-up or remediation of any Hazardous Substance on the Property.

5.2. **Developer's Representations and Warranties.** Developer represents and warrants to PDC as follows:

5.2.1. **Organization and Good Standing.** Developer is a duly organized limited liability company validly existing, and in good standing under the laws of the State of Oregon.

5.2.2. **Authority; No Conflict.**

- (a) This Agreement constitutes the legal, valid, and binding obligation of Developer, enforceable against Developer in accordance with its terms. Upon their execution and delivery by Developer at the Closing, the Developer Closing Documents will constitute the legal, valid, and binding obligations of Developer, enforceable against Developer in accordance with their respective terms. Developer has full power, authority, and capacity to execute and deliver this Agreement and the

Developer Closing Documents and to perform its obligations hereunder and thereunder.

- (b) Neither Developer's execution and delivery of this Agreement, nor its performance of any of its obligations hereunder, nor the consummation of this transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene or result in a violation of any provision of any charter, bylaws, other organizational documents or any resolution adopted by Developer's governing body; or (ii) contravene or result in a violation of any Legal Requirement or Order to which Developer is subject; or (iii) contravene or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, any agreement or other document to which Developer is a party or by which Developer is bound.
- (c) No authorization, consent, or approval of, filing or registration with, or notification to any Governmental Authority is required for Developer's execution, delivery, and performance of its obligations under this Agreement or the closing of this transaction.

5.2.3. Certain Proceedings. No Proceeding is pending or, to Developer's Knowledge, has been Threatened, against Developer that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

5.3. Renewal and Survival of Representations and Warranties. Each of the representations and warranties set forth in Sections 5.1 and 5.2 shall be deemed renewed as of the Closing Date and shall survive the Closing, subject to the provisions of Section 8.3.

5.4. "AS IS" Transaction.

5.4.1. As a material inducement to PDC to enter into this Agreement and to consummate this transaction, Developer acknowledges and agrees that it is not relying upon any representations or warranties by or of PDC, except the representations and warranties of PDC expressly set forth in Section 5.1.

5.4.2. Without limiting the generality of the provisions of Section 5.5.1, but subject to the representations and warranties of PDC expressly set forth in Section 5.1, Developer acknowledges and agrees as follows:

- (a) Developer will conduct all investigations, inspections, studies, tests, and analyses that it wishes to conduct with respect to the Property. In entering into this Agreement and consummating this transaction, Developer is relying solely on its own investigation and is assuming the risk that adverse physical, economic, or other conditions or circumstances may not have been revealed by its investigation.

(b) NEITHER PDC NOR ANY OF ITS REPRESENTATIVES MAKES OR HAS MADE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PROPERTY, INCLUDING THE FEASIBILITY AND LIKELY ECONOMIC CONSEQUENCES OF ANY SALE OR DEVELOPMENT OF THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PDC EXPRESSLY DISCLAIMS ANY WARRANTY WHATSOEVER, WHETHER STATUTORY OR OTHERWISE AND WHETHER EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE PROPERTY (OR ANY PORTION THEREOF).

(c) ON CLOSING, DEVELOPER WILL ACCEPT THE GROUND LESSEE'S INTEREST IN THE PROPERTY "AS IS," "WHERE IS," AND "WITH ALL FAULTS." Without limiting the generality of the foregoing, on Closing, Developer will accept the condition of the Property "AS IS" and agrees to acknowledge such acceptance to the Port in writing upon PDC's request.

5.5. Indemnity. Subject to (i) applicable statutory and constitutional limitations on indemnification obligations of governmental entities and (ii) the provisions of Section 8.3, each party (for purposes of this Section 5.6, the "Indemnitor") agrees to pay, indemnify, defend, and hold harmless the other party (for purposes of this Section 5.6, the "Indemnatee") from and against any and all Damages incurred by the Indemnatee and arising out of any Breach of any representation and warranty of the Indemnitor contained in this Section 5.

6. Extension of Closing Date.

6.1. By Developer. As of the Effective Date, PDC and Developer agree that each party shall use all good faith efforts to close this transaction on or before the Anticipated Closing Date. Developer and PDC acknowledge and agree that Developer may elect to exercise Developer's option to extend the Anticipated Closing Date by one or more Closing Extensions by delivering to PDC at least two (2) Business Days prior to the then Outside Closing Date, a cashiers check or certified check payable to PDC in an amount equal to one percent (1%) of the Purchase Price ("Closing Extension Payment"), along with a written notification of Developer's election to extend the then applicable Outside Closing Date by one (1) Closing Extension ("Closing Extension Notification"). Developer and PDC acknowledge and agree that (a) the election for an Extension shall be effective immediately upon receipt by PDC of the Closing Extension Payment and Closing Extension Notification and irrevocable and (b) each Closing Extension Payment shall be nonrefundable upon receipt by PDC and is not applicable to the Purchase Price.

6.2. By Developer or PDC. Notwithstanding anything to the contrary in Section 6.1 hereinabove, either party shall be entitled to extend the Outside Closing Date by not more

than an additional thirty (30) days, at no additional cost to Developer, if and only to the extent required:

6.2.1. To obtain the Port's approval of the Environmental Assessment as a "Takedown Audit";

6.2.2. To obtain the Port's consent to the Assignment of the lessee's interest in the Ground Lease to Developer;

6.2.3. For the Port to execute and deliver the documents described in Sections 3.1.5., 3.1.6. and the consent of the Port pursuant to Section 1.2.2.2 of the Ground Lease allowing a use of a portion of the Property for parking for customers or passengers of the Airport, subject to the conditions set forth in Section 1.2.2(d) hereinabove; or

6.2.4. To satisfy the conditions set forth in Sections 3.2.3 and 3.2.6.

7. Termination; Remedies.

7.1. Termination Events. In addition to Developer's right to terminate this Agreement pursuant to Section 2.1.3, either party may, by notice given to the other party prior to or at the Closing, terminate this Agreement (i) upon a Breach by the other party, or (ii) in the event the Closing has not occurred by the Outside Closing Date, unless the Closing has not occurred by the Outside Closing Date due to a Breach by the party seeking to terminate this Agreement. Any notice of termination shall specify the grounds for termination with reasonable specificity.

7.2. Effect of Termination. If this Agreement is terminated pursuant to any provision hereof, all further rights and obligations of the parties under this Agreement shall thereupon terminate, except as otherwise expressly provided herein.

7.3. PDC Liability for Pre-Closing Breach or Failure to Close. Notwithstanding any other provision of this Agreement or applicable law, in the event this Agreement is terminated by Developer due to (i) a Breach by PDC of any obligation hereunder occurring prior to Closing, (ii) a Breach of any representation or warranty of PDC set forth herein, or (iii) a failure by PDC to close this transaction as provided herein after the satisfaction or waiver of all conditions to its obligation to do so, Developer, as its sole remedy, shall be entitled to (a) seek specific performance of this Agreement or (b) to recover the Earnest Money. In no event shall PDC have any liability to Developer for Damages on account of any such pre-Closing Breach, Breach of representation or warranty, or failure to close.

7.4. Developer Liability for Pre-Closing Breach or Failure to Close. Notwithstanding any other provision of this Agreement or applicable law, in the event this Agreement is terminated by PDC due to a failure by Developer to close this transaction as provided herein after the satisfaction or waiver of all conditions to its obligation to do so, PDC, as its sole remedy, shall be entitled to (a) seek specific performance of this Agreement or (b) retain the Earnest Money. In no event shall Developer have any liability to PDC for Damages on account of any pre-Closing Breach or any such failure to close.

7.5. No Consequential Damages. Notwithstanding any other provision of this Agreement or applicable law, in no event shall any party be liable hereunder or in connection with this transaction for punitive, consequential, special, incidental, or indirect damages, including damages based on lost profits or lost benefit of the bargain.

8. Miscellaneous Provisions.

8.1. Construction and Interpretation.

8.1.1. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. References herein to sections are to sections of this Agreement unless otherwise specified.

8.1.2. Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa.

8.1.3. As used herein, (i) the term “party” refers to a party to this Agreement, unless otherwise specified, (ii) the term “this transaction” means the transactions contemplated by this Agreement, (iii) the terms “hereof,” “herein,” “hereunder,” and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (iv) the term “including” is not limiting and means “including, without limitation,” (v) the term “documents” means all instruments, documents, agreements, certificates, indentures, notices, and other writings, however evidenced, (vi) the term “property” means any kind of property or asset, real, personal, or mixed, tangible or intangible, and (vii) the term “discretion” means sole, absolute, and unfettered discretion.

8.1.4. In the event any period of time specified in this Agreement ends on a day other than a Business Day, such period shall be extended to the next following Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

8.1.5. All dollar amounts herein are expressed in United States currency.

8.1.6. This Agreement is the product of arm’s length negotiations among, and has been reviewed by counsel to, the parties and is the product of all of the parties. Accordingly, this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

8.2. Time of Essence. Time is of the essence of the performance of the parties’ respective obligations under this Agreement.

8.3. Survival. All provisions of this Agreement that contemplate performance after the Closing Date shall survive the Closing and be fully enforceable thereafter; provided, however, that no claim may be made against either party for a Breach of any representation or warranty of that party set forth herein, unless such claim is duly asserted by the other party in

writing with reasonable particularity within five (5) years after the Closing Date. In the event that either party receives notice of a claim or demand or anticipates that it may incur any Damages with respect to which it may be entitled to indemnification pursuant to Section 5.6, such party shall provide prompt notice to the other party setting forth any information then available regarding the nature and basis of such claim, demand, or Damages.

8.4. Expenses. Each party shall bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the consummation of this transaction, including all fees and expenses of its representatives and any brokerage or finders' fees or commissions or any other similar payment in connection with this transaction. Notwithstanding the foregoing provisions of this Section 8.4, PDC agrees to pay to a commission equal to two and one-half percent (2.5%) of the Purchase Price to Chris Burdett; Senior Vice President, CBRE Hotels; 1420 Fifth Ave, Suite 1700; Seattle, WA 98101-2384, Developer's broker in connection with this transaction. The commission to Developer's broker which is described in the immediately preceding sentence shall comprise one-half of the total brokerage commission owing by PDC to Grubb & Ellis Company in the amount of five percent (5%) of the Purchase Price upon consummation of the transaction contemplated by this Agreement.

8.5. Attorneys' Fees. If a suit, action, or other Proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted, or the services of an attorney are retained, in connection with this Agreement or any document delivered by either party at the Closing, or to interpret or enforce any rights or remedies hereunder or thereunder, or with respect to any dispute hereunder or thereunder, the prevailing party shall be entitled to recover from the losing party the prevailing party's attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of a suit, action, or other Proceeding, such amount shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

8.6. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns.

8.7. Assignment. Developer shall be entitled to assign its rights under this Agreement to an Affiliate of Developer, if and only if Developer (a) gives PDC notice of such assignment identifying the assignee by not later than the end of the Inspection Period and (b) provides PDC with a true, correct, and complete copy of the document effecting such assignment by not later than the Closing Date. Except as provided in the immediately preceding sentence, neither party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which may be withheld in such party's discretion. No assignment of this Agreement shall release the assigning party from its obligations under this Agreement.

8.8. Notices. All notices under this Agreement shall be in writing. Notices may be (i) delivered personally, (ii) delivered by a recognized national overnight delivery service, or (iii) mailed by certified or registered United States mail, postage prepaid and return receipt

requested. Notices to any party shall be directed to its address set forth below, or to such other or additional address as any party may specify by notice to the other parties. Any notice delivered in accordance with this Section 8.8 shall be deemed given when actually received or, if earlier, (a) in the case of any notice delivered by a recognized national overnight delivery service, on the next Business Day after delivery to the service or, if different, on the day designated for delivery, or (b) in the case of any notice mailed by certified or registered U.S. mail, on the date of actual delivery or refusal by the recipient to accept delivery.

If to PDC: Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
Attn: S. Bruce Allen, Senior Development Manager

With a copy to: Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
Attn: General Counsel

If to Developer: Station Hospitality, LLC
11922 NE Airport Way, Suite 100
Portland, Oregon 97220
Attn: Arvind Patel, Manager

With a copy to: Gardner, Potter, Budge,
Spickard & Cascagnette, LLC
725 Country Club Rd.
Eugene, OR 97401
Attn: Hamilton W. Budge, Jr.

8.9. Waiver. Any party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any Breach of any provision of this Agreement shall not constitute a waiver of any succeeding Breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a party unless it is set forth in writing and signed by such party.

8.10. Amendment. This Agreement may not be modified or amended except by the written agreement of all of the parties.

8.11. Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.

8.12. Integration. This Agreement, including any Exhibits and Schedules hereto, contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements with respect thereto. The parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or oral, express or implied, that are not set forth in this Agreement or in any Exhibit or Schedule to this Agreement.

8.13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon (without regard to the principles thereof relating to conflicts of laws).

8.14. Jurisdiction and Venue. Any suit or action to enforce or interpret any provision of this Agreement or in connection with any controversy relating to this transaction shall be brought in the Circuit Court of the State of Oregon for Multnomah County or in the U.S. District Court for the District of Oregon located in Multnomah County, Oregon, and such courts shall have exclusive jurisdiction with respect to any such suit or action. Each party irrevocably consents to such exclusive jurisdiction and waives any and all objections it might otherwise have with respect thereto.

8.15. Execution. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each party may rely upon the signature of any other party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting party.

8.16. Incorporation of Recitals, Exhibits, and Schedules. The recitals to this Agreement and any and all Exhibits and Schedules to this Agreement are incorporated herein by this reference.

8.17. Further Assurances. Each party agrees to execute and deliver such additional documents as may reasonably be required to effect this transaction fully, as long as the terms thereof are consistent with the terms of this Agreement.

[Remainder of page intentionally left blank;
signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

PDC :

PORTLAND DEVELOPMENT
COMMISSION, the duly authorized urban
renewal agency for the City of Portland,
Oregon, a municipal corporation of the State
of Oregon

APPROVED AS TO FORM:

By:

PDC Legal Counsel

By:

Patrick Quinton, Executive Director

DEVELOPER :

STATION HOSPITALITY, LLC

By:

Printed Name: _____
Title: _____

Exhibit List

Exhibit A	-	Glossary
Exhibit B-1	-	Legal Description of – Parcel K
Exhibit B-2	-	Legal Description of the Property
Exhibit B-3	-	Schematic Site Plan
Exhibit C	-	Form of Ground Lease
Exhibit D	-	Pro Forma Title Policy
Exhibit E	-	Form of Station Hospitality Development Limitations Declaration
Exhibit F	-	Eligible Brands
Exhibit G	-	Form of Lease Memorandum
Exhibit H	-	Form of Ground Lease Assignment
Exhibit I		Form of Consent to Assignment with Release
Exhibit J		Form of Lease Assignment Memorandum

EXHIBIT A

GLOSSARY

As used in this Agreement, the following terms have the respective meanings set forth below:

“Affiliate” means, when used with reference to a specific Person, (i) any Principal of such Person, (ii) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (iii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, and (iv) any relative or spouse of such Person or of any Principal of such Person.

“Agreement” has the meaning set forth in the preamble.

“Anticipated Closing Date” means the date that is twelve (12) months from the Effective Date.

“Breach” means any material inaccuracy in or breach of, or any material failure to perform or comply with, any representation, warranty, covenant, obligation, or other provision of this Agreement or any document delivered pursuant to this Agreement; *provided, however*, that except with respect to a failure to close this transaction as provided herein, a Breach shall not be deemed to have occurred as a result of a party’s failure to perform or comply with any covenant, obligation, or other provision of this Agreement unless (i) either of the other parties has given such party notice specifying the nature of such failure of performance or compliance in reasonable detail, and (ii) such party either (a) has failed to cure such failure of performance or compliance within twenty (20) Business Days after such notice is given, or (b) if such failure of performance or compliance cannot be cured solely by the payment of money and cannot reasonably be cured within twenty (20) Business Days despite the exercise of Diligent Efforts, has failed to commence curative action within twenty (20) Business Days after such notice is given or thereafter fails to use Diligent Efforts to complete the cure of such failure of performance or compliance as soon as practicable.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks in Portland, Oregon, are authorized or required by applicable Legal Requirements to be closed.

“Cascade Station” has the meaning set forth in Recital A.

“City” means the City of Portland, Oregon.

“Closing” means the closing of this transaction, at which the events set forth in Sections 4.2 through 4.4 shall occur.

“Closing Date” means the date on which the Closing occurs.

“Closing Extension Notification” has the meaning set forth in Section 6.

“Closing Extension Payment” has the meaning set forth in Section 6.

“Closing Extensions” means each 30-day extension to the Outside Closing Date granted by PDC to Developer for the purpose of extending the Outside Closing Date. As of the Effective Date, Developer and PDC have agreed that Developer shall possess the option of electing no more than a total of six (6) Closing Extensions for the Outside Closing Date upon satisfaction of all conditions precedent to such election as set forth in Section 6.

“Consent to Assignment” has the meaning set forth in Section 4.2.4.

“CSDC” has the meaning set forth in Recital B.

“Damages” means all losses, liabilities, claims, damages, expenses (including costs of investigation and defense and reasonable attorneys’ fees), and diminution of value, whether or not involving a third-party claim, except to the extent, if any, that any such losses, liabilities, claims, damages, expenses, or diminution in value are recovered through insurance proceeds actually received (net of any costs incurred in connection therewith, whether through retrospective premium adjustments, experience-based premium adjustments, or otherwise); *provided, however*, that Damages shall in no event include punitive, consequential, special, incidental, or indirect damages, including damages based on lost profits or lost benefit of the bargain.

“Design Standards” means the Declaration of Design and Development Standards for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128370.

“Developer” has the meaning set forth in Recital D.

“Developer Closing Documents” means the documents to be executed and delivered by Developer at the Closing pursuant to Section 4.

“Developer’s Knowledge” means the actual and present knowledge of _____, without investigation or inquiry.

“Development Limitations Declaration” means that certain Declaration of Development Rights and Limitations for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128372, as supplemented by that certain Supplement No. 1 to Declaration of Development Rights and Limitations for Cascade Station dated as of December 21, 2006 and recorded on December 21, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-235128.

“Diligent Efforts” means the commercially reasonable efforts that a prudent Person who wishes to achieve a result would use in similar circumstances to achieve such result as expeditiously as reasonably possible, taking cost and expected benefit into account.

“Earnest Money” has the meaning set forth in Section 1.2.1.

“Effective Date” has the meaning set forth in the preamble.

“Eligible Brands” has the meaning set forth in Section 3.1.8 and Exhibit F.

“Environmental Assessment” has the meaning set forth in Section 2.4.1.

“Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Water Pollution Control Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Emergency Planning and Community Right-to-Know Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, and any substantively similar state or local statutes, in each case as amended.

“Environmental Update” has the meaning set forth in Section 2.4.1.

“Escrow Agent” means the Title Company, in its capacity as escrow agent with respect to this transaction.

“Exercise Notice” has the meaning set forth in Section 2.5.2.

“Existing Environmental Assessment” means the existing environmental assessment for Cascade Station prepared by GeoDesigns, Inc. and dated June 27, 2006.

“Extension Term” has the meaning set forth in Recital B.

“FAA” means the Federal Aviation Administration.

“FONSI ROD” means that certain Finding of No Significant Impact Record of Decision for the Proposed Cascade Station/Portland International Center at Portland International Airport, Portland, Oregon, issued by the FAA on May 5, 2006.

“Governmental Authority” means any national, federal, state, provincial, county, municipal, or local government, or the government of any political subdivision of the any of the foregoing, or any entity, authority, agency, ministry, or other similar body exercising executive, legislative, judicial, regulatory, or administrative authority or functions of or pertaining to the government, including any quasi-governmental entity established to perform any such functions.

“Ground Lease” has the meaning set forth in Recital E.

“Ground Lease Assignment” has the meaning set forth in Recital E.

“Hazardous Substance” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

“Indemnitee” has the meaning set forth in Section 5.6.

“Indemnitor” has the meaning set forth in Section 5.6.

“Initial Term” has the meaning set forth in Recital B.

“Inspection Period” means the period beginning on the Effective Date and ending at 5:00 p.m. Pacific time on the date which is one hundred twenty (120) calendar days after the Effective Date (but not including the Effective Date for purposes of this calculation).

“Lease Assignment Memorandum” has the meaning set forth in Section 4.2.5.

“Lease Memorandum” has the meaning set forth in Section 4.2.2.

“Leasehold Estate” has the meaning set forth in Recital D.

“Legal Requirement” means any federal, state, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, rule, statute, or treaty.

“Master Development Agreement” has the meaning set forth in Recital A.

“Memorandum of Agreement” means that certain Memorandum of Agreement between the Port of Portland and the Federal Aviation Administration on the Use of Approach Land between 28L and I-205 Purchased with the Aid of Federal Funds dated as of March 16, 1999, as amended by those certain amendments thereto dated as of February 11, 2000, February 20, 2001, and May 16, 2006.

“NEPA Assessment” means that certain Final Environmental Assessment-Proposed Cascade Station/Portland International Center at Portland International Airport dated May 2006.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator or mediator.

“Outside Closing Date” means the Anticipated Closing Date, as adjusted by one or more Closing Extensions granted by PDC pursuant to the provisions of Section 6.

“PDC” has the meaning set forth in the preamble.

“PDC Closing Documents” means the documents to be executed and delivered by PDC at the Closing pursuant to Section 4.

“PDC Ground Lease Supplemental Agreement” means that certain Ground Lease Supplemental Agreement dated as of July 13, 2006, by and between PDC and the Port, and attached as Exhibit K.

“PDC’s Knowledge” means the actual and present knowledge of S. Bruce Allen, without investigation or inquiry.

“Permitted Exceptions” has the meaning set forth in Section 2.1.1.

“Person” means an individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated organization or association, joint venture, or other organization, whether or not a legal entity, or a Governmental Authority.

“Plan District” means the Cascade Station/Portland International Center Plan District, Chapter 33.508 of the City Code, and all amendments thereto.

“Port” has the meaning set forth in Recital A.

“Principal” means the natural person or persons who are in ultimate control of a Person.

“Pro Forma Title Policy” has the meaning set forth in Section 2.1.1.

“Proceeding” means any action, arbitration, audit, hearing, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority, arbitrator, or mediator.

“Project” has the meaning set forth in Recital D.

“Property” has the meaning set forth in Recital C.

“Purchase Price” has the meaning set forth in Section 1.1.2.

“Restated CC&Rs” means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128369.

“Revised Pro Forma Title Policy” has the meaning set forth in Section 2.1.2.

“Schematic Site Plan” has the meaning set forth in Recital F.

“Station Hospitality Development Limitations Declaration” means that certain Supplement No. __ to Declaration of Development Rights and Limitations for Cascade Station to be executed and acknowledged by the Port in substantially the form attached hereto as Exhibit E for the purpose of subjecting the Property to certain development rights and limitations pursuant to Section 2.4 of that certain Declaration of Development Rights and Limitations for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128372.

“Threatened” means, with respect to a claim, Proceeding, dispute, action, or other matter, the making of any demand or statement (written or oral), the giving of any written notice, the occurrence of any event, or the existence of any circumstance that would lead a prudent Person to conclude that such claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

“Title Company” means Chicago Title Insurance Company of Oregon, 888 SW Fifth

Avenue, Suite 930, Portland, Oregon 97204, or any successor thereto.

“Title Policy” means a standard coverage lessee’s policy of title insurance with respect to the Property in the form of the Pro Forma Title Policy, with a coverage amount equal to the Purchase Price, insuring Developer’s interest in the Property as ground lessee under the Ground Lease, subject only to the standard printed exceptions to such policy, the Permitted Exceptions applicable to the Property, and any liens or encumbrances created or suffered by Developer.

EXHIBIT B-1

LEGAL DESCRIPTION – PARCEL K

(see attached)

EXHIBIT B-2

LEGAL DESCRIPTION – THE PROPERTY

(see attached)

EXHIBIT B-3

SCHEMATIC SITE PLAN

(see attached)

EXHIBIT C

FORM OF THE GROUND LEASE

(see attached)

EXHIBIT D

PRO FORMA TITLE POLICY

(see attached)

EXHIBIT E

FORM OF STATION HOSPITALITY DEVELOPMENT LIMITATIONS DECLARATION

(see attached)

EXHIBIT F

ELIGIBLE BRANDS

Four Points by Sheraton

Hampton Inn & Suites

Towne Place Suites by Marriott

Hyatt Place

Express by Holiday Inn

Cambria Suites

EXHIBIT G

FORM OF LEASE MEMORANDUM

LEASE MEMORANDUM

This LEASE MEMORANDUM (this “Memorandum”) is made and entered into as of _____, 20__ by and between THE PORT OF PORTLAND, a port district of the State of Oregon (“Lessor”), and the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon (“Lessee”).

Pursuant to that certain Ground Lease of even date herewith (the “Lease”), Lessor has leased to Lessee the real property in Multnomah County, Oregon, legally described on the attached Exhibit A for an initial term expiring on June 30, 2084, with one fourteen (14) year extension option. Reference is hereby made to the Lease for all of the terms and conditions thereof.

IN WITNESS WHEREOF, the parties have executed and acknowledged this Memorandum to be effective as of the date first above written.

Lessor: THE PORT OF PORTLAND,
a port district of the State of Oregon

By: _____
Name: _____
Title: _____

Approved as to legal sufficiency for the Port:

By: _____
Counsel for the Port of Portland

Lessee: PORTLAND DEVELOPMENT COMMISSION,
the duly authorized urban renewal agency of the
City of Portland, Oregon

By: _____
Patrick Quinton, Executive Director

Approved as to form:

By: _____
PDC Legal Counsel

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on _____,
20____, by _____, as _____ of The Port of Portland, a port
district of the State of Oregon, on behalf of The Port of Portland.

Notary Public for Oregon
My Commission Expires:_____

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on _____,
20____, by _____, as _____ of the Portland Development
Commission, the duly authorized urban renewal agency of the City of Portland, Oregon, on
behalf of the Portland Development Commission.

Notary Public for Oregon
My Commission Expires:_____

EXHIBIT H

FORM OF GROUND LEASE ASSIGNMENT

GROUND LEASE ASSIGNMENT

This GROUND LEASE ASSIGNMENT (this “Assignment”) is made and entered into as of _____, 20__ by and among the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon (“PDC”), STATION HOSPITALITY, LLC, an Oregon limited liability company, and its permitted assigns (“Developer”) and THE PORT OF PORTLAND, a port district of the State of Oregon (the “Port”).

Recitals:

A. The Port and PDC are parties to that certain Master Development Agreement dated as of May 28, 1999 (as amended from time to time, the “Master Agreement”), pursuant to which the Port granted PDC certain development rights, including the right to enter into ground leases, with respect to a portion of certain property owned by the Port and commonly known as the Portland International Center (the portion of the Portland International Center that is subject to the Master Agreement, as more fully described therein, is referred to herein as the “Cascade Station Site”). Pursuant to that certain Assignment and Assumption of Certain Rights and Obligations Under Master Agreement dated as of June 15, 1999 by and between PDC and CSDC, PDC assigned to Cascade Station Development Company, LLC (“CSDC”), and CSDC assumed, PDC’s rights and obligations under the Master Agreement (including the right to enter into ground leases of parcels within the Cascade Station Site), except for those certain obligations designated and defined as the “PDC Obligations” in the Master Agreement.

B. Pursuant to that certain Assignment of Ground Lease dated as of July 13, 2006, by and between CSDC and PDC, PDC acquired the development and lease rights held by CSDC pursuant to a certain Ground Lease dated as of July 13, 2006, by and between the Port, as lessor, and CSDC, as lessee, which covers that portion of Cascade Station containing approximately 12.89 net acres of land in Multnomah County, Oregon, which is legally described on the attached Exhibit A (collectively, the “PDC Parcel A”).

C. PDC and Developer are parties to that certain Leasehold Purchase and Sale Agreement dated as of _____, 2010 (“Purchase Agreement”), pursuant to which PDC has agreed to assign to Developer all of its rights, title and interest as lessee in, to, and under that certain Ground Lease of even date herewith by and between the Port, as lessor, and PDC, as lessee (“Ground Lease”), which covers the real property located in Multnomah County, Oregon, legally described on the attached Exhibit B (“Developer Parcel”).

D. The parties wish to enter into this Assignment to evidence (i) PDC’s assignment to Developer of the lessee’s interest in the Ground Lease, (ii) Developer’s assumption of the lessee’s obligations under the Ground Lease arising from and after the date hereof, (iii) the Port’s consent to such assignment, and (iv) certain related agreements, all as more fully set forth herein.

Agreement:

In consideration of the foregoing, the mutual covenants of the parties set forth in this Assignment and, in the case of PDC and Developer, in the Purchase Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Assignment of Ground Lease and Related Matters.

1.1 Effective as of the date hereof, PDC hereby irrevocably assigns, transfers, conveys, and delivers to Developer all of PDC's right, title, and interest as lessee in, to, and under the Ground Lease.

1.2 Effective as of the date hereof, Developer hereby accepts the assignment pursuant to Section 1.1 and assumes and agrees to pay or perform, promptly as they become due, (i) all liabilities and obligations of lessee under the Ground Lease arising from and after the date of this Assignment, and (ii) any obligation under the Ground Lease to pay a security deposit to the Port. In accordance with Section 5.3 of the Ground Lease, Developer hereby accepts the Developer Parcel "as is" as of the date of this Assignment.

1.3 Consistent with the execution and delivery by the parties of the Consent to Assignment required pursuant to the Ground Lease (the "Consent to Assignment"), the Port hereby consents to the assignment pursuant to Section 1.1, releases PDC from all liabilities and obligations of lessee arising under the Ground Lease from and after the date of this Assignment, other than the liabilities and obligations with respect to certain environmental matters, as set forth in Section 2.3.

2. Environmental Responsibilities.

2.1 As between the Port and Developer, the respective responsibilities of the Port and Developer with respect to Hazardous Substances (as that term is defined in the Ground Lease), Hazardous Substance Releases (as that term is defined in the Ground Lease), violations of Environmental Laws (as that term is defined in the Ground Lease), and Environmental Costs (as that term is defined in the Ground Lease) affecting the Developer Parcel (collectively, "Developer Parcel Environmental Matters") shall be as set forth in the Ground Lease and nothing contained in this Assignment shall be construed to modify or affect the provisions of the Ground Lease in any way.

2.2 As between PDC and Developer, the provisions of Section 3.1 shall apply with respect to Developer Parcel Environmental Matters.

2.3 The Port hereby releases PDC from, and agrees that PDC shall have no responsibility for, any Developer Parcel Environmental Matters occurring from and after the date of this Assignment.

3. Indemnities.

Developer hereby agrees to indemnify, defend, and hold harmless PDC and its successors and assigns from and against any and all claims, damages, losses, liabilities, and

expenses (including without limitation reasonable attorneys' fees) arising (i) as a result of any failure of Developer to pay or perform all liabilities and obligations of lessee under the Ground Lease arising from and after the date of this Assignment, or (ii) in connection with any matter for which Developer is responsible under the terms of the Ground Lease from and after the date of this Assignment.

4. Miscellaneous Provisions.

4.1 Construction and Interpretation.

The headings or titles of the sections of this Assignment are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Assignment. References herein to sections are to sections of this Assignment unless otherwise specified. Meanings of defined terms used in this Assignment are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa. As used herein, (i) the term "party" refers to a party to this Assignment, unless otherwise specified, (ii) the terms "hereof," "herein," "hereunder," and similar terms refer to this Assignment as a whole and not to any particular provision of this Assignment, and (iii) the term "including" is not limiting and means "including, without limitation." All dollar amounts herein are expressed in United States currency.

4.2 This Assignment is the product of arm's length negotiations among, and has been reviewed by counsel to, the parties and is the product of all of the parties. Accordingly, this Assignment shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

4.3 **Attorneys' Fees.** If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted, or the services of an attorney are retained, in connection with this Assignment, or to interpret or enforce any rights or remedies hereunder, or with respect to any dispute hereunder, the prevailing party shall be entitled to recover from the losing party the prevailing party's attorneys', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of a suit, action, or other proceeding, such amount shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

4.4 **Binding Effect.** The provisions of this Assignment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

4.5 **Amendment.** This Assignment may not be modified or amended except by the written agreement of all of the parties.

4.6 **Severability.** If any provision of this Assignment is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of

this Assignment shall not be affected and all such provisions shall remain in full force and effect.

4.7 Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Oregon (without regard to the principles thereof relating to conflicts of laws).

4.8 Execution. This Assignment may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each party may rely upon the signature of any other party on this Assignment that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Assignment with the original ink signature of the transmitting party.

4.9 Further Assurances. Each party agrees to execute and deliver such additional documents as may reasonably be required to effect this transaction fully, as long as the terms thereof are consistent with the terms of this Assignment.

[Remainder of page intentionally left blank;
signature page follows]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first set forth above.

PDC: PORTLAND DEVELOPMENT COMMISSION,
the duly authorized urban renewal agency of the
City of Portland, Oregon

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
PDC Legal Counsel

Developer: STATION HOSPITALITY, LLC

By: _____
Name: _____
Title: _____

Port: THE PORT OF PORTLAND, a port district of
the State of Oregon

By: _____
Name: _____
Title: _____

Approved as to legal sufficiency for the Port:

By: _____
Counsel for the Port of Portland

Approved by the Commission on _____

EXHIBIT I

FORM OF CONSENT TO ASSIGNMENT

CONSENT TO ASSIGNMENT WITH RELEASE



PO Box 3529, Portland, Oregon 97208

PLEASE SUBMIT ALL MATERIALS AND FEES REQUIRED TO BE SUBMITTED FOR CONSIDERATION OF AN ASSIGNMENT REQUEST ALONG WITH THIS CONSENT FORM. PLEASE SIGN FOUR ORIGINALS OF THIS CONSENT. TWO FULLY SIGNED ORIGINALS WILL BE RETAINED BY THE PORT (ONE FOR LEGAL AND ONE FOR OPERATIONS); ONE FULLY SIGNED ORIGINAL WILL BE GIVEN TO ASSIGNOR; AND ONE FULLY SIGNED ORIGINAL WILL BE GIVEN TO ASSIGNEE.

This **CONSENT TO ASSIGNMENT** (this "Consent") is executed by the **PORT OF PORTLAND**, a port district organized under the laws of the State of Oregon (the "Port"), the Port's current lessee named in Paragraph 4 below (Assignor), and the assignee named in Paragraph 5 below ("Assignee"), effective as of the year and date noted below on this Consent.

1. Full Name of the lease agreement between the Assignor and the Port, including Port Agreement No. (the "Lease"): Lease Name: Port Agreement No.:		
2. Date of Lease:	3. End date of Lease (do not include options to extend): 06/30/2084	
4. Full legal name of the Port's current lessee under the Lease (and, if the current lessee is a successor lessee, the full name of the original lessee as shown on the Lease):		
5. Full legal name of Assignee:	6. Address for notices to Assignee (must include street address):	
7. Description of Assignee:		
8. Full description of Assignee's intended use of the premises leased by Assignor under the Lease (the "Premises") (attach additional sheet if necessary):		
9. For this Consent to be valid, all of the following must be true, and each line must be initialed by Assignor and Assignee: a. No use of the Premises may be made unless such use is permitted in the Lease. b. Assignee has been given a full copy of the Lease and all exhibits and amendments to the Lease. Assignee acknowledges that in the event of any conflict between the terms of the assignment agreement between Assignor and Assignee ("Assignment Agreement") and the terms of the Lease, the Lease shall control. Assignee agrees to abide by and be bound by all terms of the Lease.	Assignor's initials: _____ _____	Assignee's initials: _____ _____

<p>c. A full and complete copy of the fully executed Assignment Agreement shall be made available to the Port upon request.</p>	<p>_____</p>	<p>_____</p>
<p>d. <i>Additional terms and conditions of this Consent are included below. I have read, understood, and agreed to comply with all of the terms and conditions of this Consent.</i></p>	<p>_____</p>	<p>_____</p>

10. **Consent to Assignment.** The Port hereby consents to the assignment by Assignor to Assignee of the Lease (the "Assignment"), on the terms and conditions contained in this Consent. By exercising its rights under the Assignment Agreement and this Consent to occupy the Premises, Assignee agrees to comply with all of the terms and conditions of this Consent and the Lease, as the same may be amended from time to time, and agrees to be liable for all obligations of the lessee under the Lease, and for the occupation and use of the Premises and the exercise of any rights granted to Assignee under the Assignment Agreement and this Consent. The Assignment shall in all ways be subject to the terms and conditions of the Lease.

11. **Partial Release of Assignor.** The Port agrees that, as of the Effective Date, Assignor shall be released and discharged from all obligations under the Lease arising from and after the Effective Date, including, but not limited to, the obligation to pay Rent, taxes and any other amounts to the Port or others as provided in the Lease; except that nothing in this Consent shall be construed to release Assignor from any indemnity or other obligation under the Lease, if the circumstances which give rise to the indemnification claim or obligation in any way relate to possession, use or occupancy of the Premises prior to the Effective Date or activities or occurrences taking place prior to the Effective Date.

12. **The Assignment.** Assignor and Assignee represent and warrant that the Assignment Agreement constitutes the entire Agreement between Assignor and Assignee with respect to the Premises and there are no other oral or written agreements between them with respect to the Premises.

13. **Other Warranties and Obligations.** Assignor and Assignee represent and warrant that all of the information contained in Paragraphs 1-9 of this Consent is true and complete.

14. **Insurance.** Assignee agrees to carry insurance in the amounts and types not less than those required by the Lease to cover all of Assignee's activities on the Premises. Assignee shall provide to the Port certificates evidencing the required insurance and a policy endorsement naming the Port as an additional insured and/or loss payee, as provided in the Lease, before this Consent will be effective.

15. **Real Property Taxes.** Assignee acknowledges its responsibility under the Lease to pay all real property taxes assessed against the Premises, whether or not Assignor and Assignee have prorated such taxes between them for the current tax year.

16. **No Amendment of Lease.** Except as expressly set forth in any addenda hereto, nothing in this Consent shall be construed to modify the Lease in any way. Without limiting the generality of the foregoing, this Consent shall not be construed to imply an extension to the term of the Lease, nor the exercise of any option to renew which may be available under the Lease, nor the waiver by the Port of any rights the Port may have to declare a default for any condition now or hereafter existing at the Premises, unless known to the Port on the Effective Date. The Port's consent herein shall not be construed to be a consent to any other or future assignments, nor a waiver of any rights that the Port may have under the Lease.

17. **Notices.** Notices required or permitted to be given to Assignee shall be given to the address set forth in Paragraph 6 above.

18. **Effective Date.** The effective date ("Effective Date") of this Consent shall be _____, _____.

19. **Authority.** The individuals signing and initialing this Consent on behalf of Assignee and Assignor represent and warrant that they are authorized by Assignee and Assignor, respectively, to do so.

ASSIGNOR:

_____,
a(n)

—

By: _____
As Its: _____

ASSIGNEE:

_____,
a(n)

By: _____
As Its: _____

THE PORT OF PORTLAND:

By: _____
As Its: _____

EXHIBIT J

FORM OF LEASE ASSIGNMENT MEMORANDUM

LEASE ASSIGNMENT MEMORANDUM

This LEASE ASSIGNMENT MEMORANDUM (this “Memorandum”) is made and entered into as of _____, 20__ by and between the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon (“PDC”), STATION HOSPITALITY, LLC, an Oregon limited liability company, and its permitted assigns (“Developer”), and THE PORT OF PORTLAND, a port district of the State of Oregon (the “Port”).

Pursuant to that certain Assignment of Ground Lease of even date herewith by and among PDC, Developer and the Port, PDC has assigned to Developer all of PDC’s right, title, and interest as lessee in, to, and under that certain Ground Lease of even date herewith by and between the Port, as lessor, and PDC, as lessee (the “Lease”), which covers the real property in Multnomah County, Oregon, legally described on the attached Exhibit A. Reference is hereby made to the Lease for all of the terms and conditions thereof.

IN WITNESS WHEREOF, the parties have executed and acknowledged this Memorandum to be effective as of the date first above written.

PDC: PORTLAND DEVELOPMENT COMMISSION,
the duly authorized urban renewal agency of the
City of Portland, Oregon

By: _____
Patrick Quinton, Executive Director

Approved as to form:

By: _____
PDC Legal Counsel

Developer: _____, [a _____
limited liability company]

By: _____
Name: _____
Title: _____

Port:

THE PORT OF PORTLAND, a port district of
the State of Oregon

By: _____

Name: _____

Title: _____

Approved as to legal sufficiency for the Port:

By: _____

Counsel for The Port of Portland

Approved by the Commission on _____

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on _____, 2008, by Patrick Quinton, as Executive Director of Portland Development Commission, the duly designated urban renewal agency of the City of Portland, Oregon, on behalf of the Portland Development Commission.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me on _____, 2008, by _____, as _____ of _____, [a _____ limited liability company], on behalf of the company.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on _____, 20____, by _____, as _____ of The Port of Portland, a port district of the State of Oregon, on behalf of The Port of Portland.

Notary Public for Oregon
My Commission Expires: _____

RESOLUTION NO. 6999

RESOLUTION TITLE:

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASEHOLD PURCHASE AND SALE AGREEMENT WITH STATION HOSPITALITY, LLC FOR THE SALE OF A LEASEHOLD INTEREST TO UNIMPROVED REAL PROPERTY AT CASCADE STATION IN THE AIRPORT WAY URBAN RENEWAL AREA AT A SALE PRICE OF UP TO \$806,100


Adopted by the Portland Development Commission on April 9, 2013

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

	Date: April 10, 2013
Gina Wiedrick, Recording Secretary	