

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6734

AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH GLISAN STREET DEVELOPER, LLC FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 9929-9999 NE GLISAN ST AND 618 NE 99TH AVE. IN THE GATEWAY REGIONAL CENTER URBAN RENEWAL AREA; NOT TO EXCEED \$1,900,000

WHEREAS, in furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland (the "City"), the Portland Development Commission ("PDC") has undertaken a program for the development and redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the Gateway Regional Center Urban Renewal Area (the "URA");

WHEREAS, Glisan Street Developer, LLC ("GSD") has partially assembled a site in the URA for the development of affordable housing and commercial space at 9929-9999 NE Glisan St. and 618 NE 99th Ave. (collectively, the "Property");

WHEREAS, Glisan Street Developer, LLC has been unable to complete the site assembly and move forward with development on the Property;

WHEREAS, PDC has interest in developing affordable rental housing and commercial space on the Property to fulfill goals of the URA plan and City housing goals and policies; and

WHEREAS, PDC and GSD have negotiated a purchase and sale agreement for the Property.

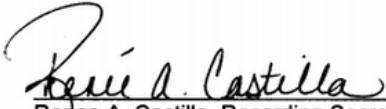
NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to acquire the Property in the Gateway Regional Center Urban Renewal Area for an amount not to exceed \$1.9 million, substantially in accordance with the terms and conditions of the Purchase and Sale Agreement attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that the Executive Director may approve changes to the Agreement, if such changes, in the opinion of the Executive Director and General Counsel, do not materially change PDC's obligations or risks;

BE IT FURTHER RESOLVED that this Resolution shall replace in its entirety Resolution No, 6732 adopted by the Board of Commissioners on August 26, 2009; and

BE IT FURTHER RESOLVED that this resolution shall become effective thirty days from the date of its adoption.

Adopted by the Portland Development Commission September 9, 2009.


Renee A. Castilla, Recording Secretary

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered this 26 day of August, 2009 (the “Effective Date”), by and between Glisan Street Developer, LLC, an Oregon limited liability company (“Seller”) and the CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland (“Buyer” or “PDC”). Buyer and Seller may be referred to jointly in this Agreement as the “Parties” and individually as a “Party.”

RECITALS

- A. In furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland (the “City”), PDC has undertaken a program for the development and redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the Gateway Regional Center Urban Renewal Area (the “URA”), which was approved by the City Council of the City on June 21, 2001 (as amended from time to time, the “Urban Renewal Plan”);
- B. Seller is the owner of the Property (as hereinafter defined) located in the URA;
- C. PDC has found it necessary and in the public interest to implement the Urban Renewal Plan by acquiring the Property in order to promote mixed-use, high-density, transit oriented development which will serve as a catalyst for further redevelopment in the URA;
- D. Therefore, PDC desires to purchase from Seller and Seller desires to sell to PDC, the Property;
- E. PDC finds that the fulfillment, generally, of this Agreement, and the intentions set forth herein, are in the vital and best interest of the City and the health, safety, and welfare of its residents, and are in accord with the public purposes and provisions of the applicable state and federal laws and requirements under which the Urban Renewal Plan was adopted; and
- F. Accordingly, the Parties desire to enter into this Agreement setting forth the terms and conditions under which PDC will acquire the Property.

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

AGREEMENT

1. **Agreement to Purchase and Sale.** Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the Property upon the terms and conditions set forth in this Agreement

2. **Description of the Property.** The Property which is the subject of this Agreement consists of the following:

The land located at 9929-9999 NE Glisan St. and 618 NE 99th Ave., Portland, Oregon as more particularly described in Exhibit A attached hereto (the “Land”) together with (i) all rights, privileges and easements appurtenant to the Land owned by Seller, including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on and under the Land, as well as development rights, air rights, water rights related to the Land, and any other easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the “Appurtenances”); and (ii) all improvements and fixtures located on the Land (collectively, the “Improvements”), including, without limitation, all buildings and structures presently located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Improvements (which Land, together with the Appurtenances and the Improvements, is collectively referred to herein as the “Property”);

3. **Purchase Price.** The purchase price for the Property shall be ONE MILLION NINE HUNDRED THOUSAND AND NO /100 DOLLARS (\$1,900,000.00) (the “Purchase Price”), subject to adjustment as provided herein.

3.1 **Payment of the Purchase Price.** On the Closing Date (as hereinafter defined) the Purchase Price, subject to other adjustments as specified herein, shall be paid in immediately available funds to Seller.

3.2 **Prorations of Taxes** All property taxes attributable to the year in which the Closing (as hereinafter defined) occurs shall be prorated and adjusted as of the Closing Date as an adjustment at the Closing (regardless of whether such taxes and special assessments are then due and payable or delinquent). Seller agrees that any taxes, assessments and encumbrances that will be a lien against the Property at Closing, whether or not those charges would constitute a lien against the Property at settlement, shall be satisfied by Seller. If Seller shall fail to do so, Buyer may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price of the Property. Regular real property taxes payable during the year in which Closing occurs and any rents or income applicable to the Property shall be prorated as of Closing Date.

3.3 **Utilities.** Seller shall cause all meters for electricity, gas, water, sewer or other utility usage at the Property, if any to be read on the Closing Date and Seller shall pay all charges for such utility charges which have accrued on or prior to the Closing Date. If the utility companies are unable or refuse to read the meters on the Closing Date, all charges for such utility charges to the extent unpaid shall be prorated and adjusted as of the Closing Date based on the most recent bills therefor.

3.4 **Other Prorations and Costs.** Except as otherwise provided herein, all other items to be prorated, including rents, operating expenses, revenues, and other income, if any, shall be prorated as of the Closing Date. For the purpose of calculating prorations, the Buyer shall be deemed to be entitled to the Property and, therefore, entitled to the income and responsibility for the expenses for the entire day following the Closing Date. Buyer shall pay the cost of recording the Deed (as hereinafter defined), and all other recording charges, if any. Buyer shall pay the premium for the title insurance policy that Seller is obligated to provide to Buyer, and for all conveyance, excise, and/or transfer taxes payable by reason of the purchase and sale of the Property. Buyer shall pay any and all costs associated with its request for the title policy to be issued as an ALTA extended coverage policy. Buyer and the Seller shall each pay their own legal and professional fees of other consultants incurred by Buyer and Seller, respectively. Buyer shall pay the fees of the Escrow Agent.

3.5 **Survival.** The provisions of this Section 3 shall survive the Closing.

4. **Representations, Warranties and Covenants**

4.1 **Seller's Representations and Warranties.** Seller hereby warrants and represents to Buyer as of the Closing Date and, except as otherwise noted, as of the Effective Date the following and acknowledges that they are material inducements to Buyer to enter into this Agreement:

- 4.1.1 Seller has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated herein.
- 4.1.2 All requisite action (corporate, trust, partnership, membership or otherwise) has been taken by Seller in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.
- 4.1.3 The persons executing this Agreement and the instruments referred to herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions of this Agreement.
- 4.1.4 This Agreement and all documents required to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.
- 4.1.5 Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease,

or other agreements or instruments to which Seller is a party, or, affecting the Property.

- 4.1.6 Except as set forth on Schedule 4.1.6 attached hereto, Seller has not entered into any other contracts for the sale of the Property, nor do there exist any rights of first refusal, options to purchase the Property, leases which will be effective as of the Closing Date, mortgages, licenses, prescriptive rights, permits, or other rights or agreement, written or oral, express or implied, which in any way affects or encumbers the Property or any portion thereof, with the exception of matters of record. Seller has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, air rights, or any other development or other rights or restrictions relating to the Property, and to Seller's knowledge, no such rights encumber the Property, and will not, through Closing.
- 4.1.7 Except as set forth on Schedule 4.1.7 attached hereto, there are no:
 - 4.1.7.1 Intended public improvements or private rights, which will result in the creation of any liens upon the Property or any portion thereof.
 - 4.1.7.2 Uncured notices which have been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property or any portion thereof;
 - 4.1.7.3 Actual or impending mechanic's liens against the Property or any portion thereof.
- 4.1.8 There are no actions, suits or proceedings (including arbitration proceedings) pending or to the best of Seller's knowledge, threatened against Seller (except as otherwise disclosed) which could have a material adverse effect on any portion of the Property, Seller's interest therein, or Seller's ability to perform its obligations hereunder, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality.
- 4.1.9 There are no condemnation actions against or relating to the Property or any portion thereof, nor has Seller received any notice of any being contemplated.
- 4.1.10 Except as set forth in Schedule 4.1.10 attached hereto, the Property complies with all zoning, building, environmental, health and public safety, subdivision, land sales or similar law, rule, ordinance or regulation, pertaining to the Property or any portion thereof which has not been materially complied with.
- 4.1.11 As of Closing Date, there are no material contracts or agreements related to the use, ownership or operation of the Property.

- 4.1.12 Seller has not received any notice that it is in default under any of the covenants, easements or restrictions encumbering the Property or any constituent or portion thereof.
- 4.1.13 Seller has not generated, stored or disposed of any oil, petroleum products, or “Hazardous Materials” (as hereinafter defined) at or on the Property, except as disclosed in the reports listed on Schedule 4.1.13 attached hereto and Seller has no actual knowledge of any previous or present generation, storage or disposal or existence thereof. “Hazardous Materials” means any pollutant, dangerous substance, toxic substance, asbestos, petroleum, petroleum product, hazardous waste, hazardous materials or hazardous substance as defined in or regulated by Chapter 466 of the Oregon Revised Statutes, the Resource Conservation Recovery Act, as amended, 42 USC Section 6901, et seq. (“RCRA”), the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC Section 9601, et seq. (“CERCLA”), or any other environmental law. A list of all environmental reports of which Seller has knowledge is set forth on Schedule 4.1.13 attached hereto. Except for those environmental reports listed on Schedule 4.1.13, (i) Seller has not entered into any consent decree or administrative order for any alleged violation of laws relating to Hazardous Materials; and (ii) Seller has not received any written request for information or a demand letter from a citizen with respect to a violation of laws pertaining to Hazardous Materials.
- 4.1.14 All representations and warranties contained herein are material and may be relied upon by Buyer and shall survive the Closing for a period of two (2) years.
- 4.1.15 **Changed Conditions.** If Seller discovers any information or facts that would materially change the foregoing warranties and representations, Seller shall immediately give notice to Buyer of those facts and information. If any of the foregoing warranties and representations ceases to be true before Closing, Seller shall work with the Buyer using commercially reasonable efforts to remedy the problem prior to Closing. If the problem is not remedied before Closing, Buyer may elect to either: 1) terminate this Agreement in which case Buyer shall have no obligation to purchase the Property and any payments shall be refunded to Buyer; or 2) defer the Closing Date for a period not to exceed thirty (30) days or until such problem has been remedied, whichever occurs first.
- 4.2 **Seller's Covenants.** Seller hereby covenants and agrees with Buyer that:
 - 4.2.1 From and after the Effective Date through the Closing Date, Seller shall maintain the Property in its present state, with no alteration of the Property in any way;
 - 4.2.2 From and after the Effective Date through the Closing Date, Seller shall comply with all government regulations applicable to the Property;

- 4.2.3 From and after the Effective Date through the Closing Date, Seller shall not enter into any agreements with respect to the sale or lease of the Property or any portion thereof without the prior written consent of Buyer;
 - 4.2.4 From and after the Effective Date through the Closing Date, Seller shall not enter into any new contracts or agreements or place any encumbrance on the Property without the prior written consent of Buyer which may be granted or withheld in Buyer's sole discretion; and
 - 4.2.5 During the pendency of this Agreement, Seller shall promptly notify Buyer of the occurrence of any event or circumstance known to Seller that will make any representation or warranty of Seller to Buyer under this Agreement materially untrue or materially misleading as of the Closing Date or any covenant of Seller under this Agreement incapable of being performed.
- 4.3 **Buyer's Representations and Warranties.** Buyer hereby warrants and represents to Seller as the Effective Date and as of the Closing Date the following:
- 4.3.1 Buyer is the duly authorized and acting urban renewal agency of the City of Portland, Oregon, validly exists under the laws of the State of Oregon and has all requisite power and authority to carry on its business as now conducted.
 - 4.3.2 Buyer has full power and authority to enter into and perform this Agreement in accordance with its terms, and all requisite action has been taken by Buyer in connection with the execution of this Agreement and the transactions contemplated hereby.
 - 4.3.3 Buyer shall comply with Buyer's Relocation Policies and Procedures as applicable.
 - 4.3.4 This Agreement has been duly executed and delivered by Buyer and constitutes a valid, binding and enforceable obligation of Buyer.
- 4.4 **Survival.** The provisions of this Section 4 shall survive the Closing.
5. **Access, Inspection and Due Diligence Materials**
- 5.1 **Access and Inspection.** Seller agrees that Buyer and its authorized agents or representatives shall be entitled to enter upon the Property to make such investigations, studies and tests as Buyer deems necessary or advisable, as more specifically set forth in the form of Permit of Entry attached hereto as Exhibit B (the "Permit of Entry").
 - 5.2 **Due Diligence Materials.** Seller agrees to provide Buyer (a) a Preliminary Title Report covering the Property, together with legible copies of all plats and exception documents referenced in the Preliminary Title Report (collectively, the "Preliminary Title Report") within five (5) days of the Effective Date; (b) copies of all the reports listed on Schedule 4.1.13 within five (5) days of the Effective Date;

(c) to the extent not included on Schedule 4.1.13, copies of all studies, reports, site analyses, engineers certificates, existing surveys, existing title insurance policies, contracts, leases, licenses and permits with respect to the Property that Seller has in its possession, or that it has access to, including, without limitation, (i) any site analyses with respect to oil, asbestos, underground storage tanks, Hazardous Materials, lead paint, or lead plaster; or (ii) any reports regarding compliance with laws (including, but not limited to, ADA, zoning and all other land use matters) (collectively, the “Due Diligence Materials”). Unless otherwise indicated, during the Inspection Period (as hereinafter defined), Seller agrees to make such items available to Buyer and Buyer’s agents, at reasonable times at the mutual convenience of Buyer and Seller.

- 5.3 **Inspection Period.** Buyer shall notify Seller no later than the twentieth (20th day following the Effective Date (the “Inspection Period”) of the results of its due diligence. In the event that Buyer’s due diligence shall reveal any matters which are not acceptable to Buyer, Buyer in its sole discretion may elect, by written notice to Seller, on or before 5:00 p.m. on the final day of the Inspection Period, not to proceed with the transaction contemplated herein, in which event this Agreement shall be null and void without recourse to either Party hereto. If such written notice shall not be given by Buyer within the Inspection Period, Buyer shall be deemed to have notified Seller that no unacceptable matters have been revealed.

6. Title Insurance

- 6.1 **Preliminary Title Report.** In accordance with Section 5.2, Seller, shall cause the Escrow Agent to deliver to Buyer the Preliminary Title Report. Prior to the expiration of the Inspection Period, Buyer shall give written notice to Seller of the exceptions that Buyer shall require Seller to remove of record at or before Closing (the “Title Objections”). Exceptions to which Buyer makes no objection are deemed “Permitted Exceptions”. Seller shall thereafter have until Closing to use its best efforts to remove such Title Objections at Seller's sole cost or inform Buyer in writing that it is unable to remove any such exception. All new exceptions appearing on subsequent title reports shall be considered unacceptable, unless accepted in writing by Buyer. Buyer shall have the right to a dollar-for-dollar adjustment to the Purchase Price in the amount of any monetary liens which are unsatisfied on the Closing Date. If the Title Objections are not cured on or before Closing, then Buyer, in Buyer’s sole discretion may elect to: (i) terminate this Agreement; (ii) accept title to the Property subject to the Title Objections; or (iii) proceed to Closing with a reduction (not to exceed the reasonable cost of effecting cure) in the Purchase Price for any Title Objections uncured by Seller.
- 6.2 **Title.** On the Closing Date, Seller shall convey by statutory warranty deed substantially in the form attached hereto as Exhibit C (the “Deed”) to Buyer fee simple title to the Property. Fee simple title the Property shall be good and marketable and shall be insured by an Owner's Standard Form of Title Policy issued by Escrow Agent in the full amount of the Purchase Price without adjustment, insuring fee simple title vested in Buyer or its nominees (the “Title Policy”). The cost of the title policy shall be at Buyer’s expense. Title insurance shall be subject only to the standard exceptions of such policy, current taxes not yet delinquent and the Permitted Exceptions. Buyer shall have the right, if Buyer

so elects, to cause the Title Policy to be issued as an ALTA extended coverage policy, provided Buyer pays the additional premiums and survey costs associated therewith.

7. **Conditions Precedent to Seller's and Buyer's Performance**

7.1 **Conditions Precedent to Seller's Performance.** The obligations of Seller to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement, subject to the following conditions (any one or more of which may be waived in whole or in part by Seller at its discretion). In the event any condition is not satisfied or waived on or before Closing, or other date as set forth herein, Seller shall have the right to terminate this Agreement, in which event this Agreement shall be null and void without recourse to either Party hereto.

7.1.1 The representations and warranties made by Buyer in this Agreement being true and correct in all material respects on and as of the Closing Date;

7.1.2 Buyer and Seller shall have agreed to and executed the final form of document(s) necessary to terminate that certain Pre-development Loan dated July 24, 2008 between Buyer as Lender and Seller as Borrower and any obligations thereunder (the "Pre-development Loan Termination Agreement"); and

7.1.3 Payment of the Purchase Price by Buyer, as adjusted and prorated hereunder.

7.2 **Conditions Precedent to Buyer's Performance.** The obligations of Buyer to consummate the transaction contemplated by this Agreement are, in addition to the other terms and conditions of this Agreement subject to the following conditions (any one or more of which may be waived in whole or in part by Buyer at its discretion). In the event any condition is not satisfied or waived on or before Closing, or other date as set forth herein, Buyer shall have the right to terminate this Agreement, in which event this Agreement shall be null and void without recourse to either Party hereto.

7.2.1 The representations and warranties made by Seller in this Agreement being true and correct in all material respects on and as of the Closing Date;

7.2.2 Seller having performed in all material respects all covenants and obligations required by this Agreement to be performed by Seller on or prior to the Closing Date; and

7.2.3 Seller has provided to Buyer documentation satisfactory to Buyer that (a) Seller has full power and authority to enter into and perform its obligations under this Agreement; and (b) this Agreement has been executed and delivered, for and on behalf of Seller, by an authorized individual;

- 7.2.4 Between the expiration of the Inspection Period and the Closing Date there shall have been no material adverse change in (i) the condition of the Property (including, but not limited to, the physical or environmental conditions thereof); or (ii) title, such as the appearance of title matters not previously disclosed in the Preliminary Title Report;
 - 7.2.5 Buyer receiving, at Closing, the Title Policy insuring good, clear, marketable and fee simple title to the Property subject only to the Permitted Exceptions;
 - 7.2.6 Buyer and Seller shall have agreed to and executed the final form of Pre-development Loan Termination Agreement;
 - 7.2.7 PDC's Board of Commissioners (the "PDC Board") has authorized the consummation of the transactions contemplated by this Agreement; and
 - 7.2.8 Buyer shall have agreed to the final form of the Deed.
- 7.3 Elections upon Non-Satisfaction of Conditions. If any condition in this Section 7 is not fulfilled to the satisfaction of the benefited Party or Parties on the date scheduled for Closing, then such benefited Party or Parties may elect, by written notice given to the other Party no later than 5 days after the date initially scheduled as the Closing Date to:
- 7.3.1 Terminate this Agreement by and effective upon written notice to the other Party;
 - 7.3.2 Waive in writing the benefit of that condition precedent to Closing and proceed in accordance with the terms hereof; or
 - 7.3.3 Designate in writing a later date for Closing, to allow additional time for the condition to be satisfied, if the condition can be satisfied and the other Party agrees in writing to the later date.

8. Closing.

- 8.1 **Manner of Closing.** The Closing of the purchase and sale of the Property will occur in an escrow to be administered by the Escrow Agent ("Escrow"). The Parties agree to provide the Escrow Agent with escrow instructions consistent with the terms of this Agreement (the "Escrow Instructions"). In the event that the Escrow Agent cannot, or refuses to, handle this transaction, the Parties shall appoint an escrow company mutually satisfactory to the Parties, which is licensed in the State of Oregon.
- 8.2 **Closing Date.** The closing date shall occur on or before September 26, 2009 (the "Closing Date" or "Closing") unless otherwise agreed to in writing by the Parties.
- 8.3 **Documents to Be Deposited Into Escrow by Seller.** On or before the Closing Date, Seller shall deposit into Escrow all of the following:
 - 8.3.1 A duly executed and acknowledged Deed;

- 8.3.2 An original certificate of non-foreign person duly executed by Seller and notarized; and
- 8.3.3 Such documents as the Escrow Agent may require to establish the authority of Seller and to complete the sale of the Property as contemplated by this Agreement.
- 8.4 **Documents and Sums to Be Deposited Into Escrow by Buyer.** On or before the Closing Date, Buyer shall deposit into Escrow such funds (by wire transfer) as are necessary to complete payment of the Purchase Price in accordance with Section 3 of this Agreement and to pay Buyer's portion of the closing costs. Buyer shall also deposit into Escrow the following:
 - 8.4.1 Such documents as the Escrow Agent may require to complete the sale of the Property as contemplated by this Agreement.
- 8.5 **Close of Escrow.** On the Closing Date, the Escrow Agent shall deliver or cause to be delivered the sums and documents pursuant to the Escrow Instructions.
- 9. **Risk of Loss.** Seller shall bear the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, all or part of the Property is damaged by fire or by any other cause of any nature, Seller shall give Buyer written notice of such event. Buyer may terminate this Agreement by giving written notice to Seller within fifteen (15) days following receipt by Buyer of written notice from Seller of such casualty.
- 10. **Notices.** All notices in connection with this Agreement will be deemed given at the time of delivery if made by personal delivery, by facsimile, or by delivery by private express courier service; if mailed, three days after deposit by certified or registered mail, postage prepaid.

To Seller: Glisan Street Developer, LLC
c/o Human Solutions, Inc.
2900 SW 122nd Ave.
Portland, OR 97236
Attn: Executive Director

and

HSMP, LLC
9965 SW Arctic Dr.
Beaverton, OR 97005
Attn: S. Seabold.

With Copy: Douglas Blomgren
Bateman, Seidel
888 SW Fifth Avenue, Suite 1250
Portland, Oregon 97204

To Buyer: Portland Development Commission

Karl Dinkelspiel, Project Manager
222 NW Fifth Avenue
Portland, Oregon 97209-3859

With Copy: General Counsel
222 NW Fifth Avenue
Portland, Oregon 97209-3859

The foregoing addresses may be changed by written notice, given in the same manner.

11. **Brokerage Commissions.** Buyer represents that it has retained no real estate broker in connection with this transaction. Seller represents that it has retained no real estate broker in connection with this transaction. In the event any person asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then the Party against whom the claim is asserted will hold the other Party harmless and defend from said claim.
12. **Further Actions of Buyer and Seller.** Buyer and the Seller agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the transaction contemplated herein and shall use their best efforts to accomplish the Closing in accordance with the provisions herein.
13. **Default, Termination and Remedies**
 - 13.1 **Default by Seller.** In the event that Seller breaches or shall have failed in any material respect on the Closing Date to have performed any of the covenants and agreements contained in this Agreement which are to be performed by Seller on or before the Closing Date, any representation or warranty of Seller herein was untrue when made, or Seller shall have caused any representation or warranty to become untrue between the Effective Date and the Closing Date, then Buyer shall have the right to (i) seek damages for Seller's breach and/or (ii) take any and all legal actions necessary to compel Seller's specific performance hereunder (it being acknowledged that damages at law would be an inadequate remedy), and to consummate the transaction contemplated by this Agreement in accordance with the provisions of this Agreement. In the event that all of the conditions set forth in Section 7.2 have not been satisfied or waived, Buyer may elect to terminate this Agreement in which event this Agreement shall be null and void without further recourse to either Party hereto.
 - 13.2 **Default by Buyer.** In the event Closing and the consummation of the transactions herein contemplated do not occur by reason of any default by Buyer, Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages that the Seller may suffer. Accordingly, Buyer and Seller agree that a reasonable estimate of the total net detriment that Seller would suffer in the event of any such default by Buyer and under this Agreement is and shall be, and Seller's sole and exclusive remedy (whether at law or in equity), is and shall be an amount equal to the sum of \$5,000. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty, but is intended to represent liquidated damages to Seller. Upon such default by Buyer, this Agreement shall be terminated and neither Party shall have any further rights or obligations hereunder.

14. **Miscellaneous.**

- 14.1 **Partial Invalidity.** If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 14.2 **Mediation.** If any dispute should arise between the parties concerning the Parties' obligations or activities under this Agreement, the dispute shall be submitted to mediation before a mediator agreed to and compensated equally by the Parties, prior to commencement of arbitration or litigation.
- 14.3 **Waivers.** No waiver of any breach of any covenant or provision contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
- 14.4 **Successors and Assigns.** Buyer may not assign its interest in this Agreement to any other person or entity without the express, written consent of Seller, which shall not be unreasonably withheld. In the event that an assignee assumes the obligations of Buyer hereunder, then Buyer shall have no further liability with respect to this Agreement, and this Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.
- 14.5 **Interpretation of Agreement.** This Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision. The paragraph headings contained in this Agreement are for ease of reference only and shall not be used in constructing or interpreting this Agreement.
- 14.6 **Entire Agreement.** This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted here.
- 14.7 **Time of Essence.** Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision.
- 14.8 **Amendments and Modifications.** Any modifications to this Agreement shall be made in writing and executed by the Parties, and approved by the PDC Board.
- 14.9 **Recitals.** The Recitals set forth at the beginning of this Agreement are incorporated into the body of this Agreement as if fully set forth therein.

- 14.10 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and when taken together shall constitute one and the same instrument.
- 14.11 **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.
- 14.12 **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the state of Oregon.
- 14.13 **Statutory Notice.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER OREGON LAWS 2007, CHAPTER 424, SECTIONS 2, 3 AND 5 TO 22. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER OREGON LAWS 2007, CHAPTER 424, SECTIONS 2, 3 AND 5 TO 22.

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

BUYER:

The CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION

Bruce A. Warner, Executive Director

Approved as to Form:

Lisa Gramp
Assistant General Counsel

SELLER:

GLISAN STREET DEVELOPER, LLC, an Oregon limited liability company

By: Human Solutions, Inc., an Oregon nonprofit corporation, member

By: _____
Jean DeMaster, Executive Director

and

By: HSMP, LLC, an Oregon limited liability company, member

By: _____
Harry W. Seabold, member

and

By: _____
Stephen C. Seabold, member

1. 618 NE 99th Avenue, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3500, 0.10 ACRES, Multnomah County Property Tax ID Number R319647
2. 9929 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3700 0.54 ACRES, Multnomah County Property Tax ID Number R319494
3. 9999 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3100 0.86 ACRES, Multnomah County Property Tax ID Number R319463

PERMIT OF ENTRY

THIS PERMIT OF ENTRY (“Permit”) is effective as of _____, 2009 (the “Effective Date”) between, Glisan Street Developer, LLC (“Grantor”) and the Portland Development Commission, the duly designated urban renewal agency of the City of Portland (“Permittee”). Grantor and Permittee may be referred to jointly in this Permit as the “Parties” or individually as a “Party”.

RECITALS

- A. Grantor holds fee title to three (3) real properties referred to as the Human Solutions Scattered Sites with the following physical street addresses and legal property descriptions:
1. 618 NE 99th Avenue, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3500, 0.10 ACRES, Multnomah County Property Tax ID Number R319647
 2. 9929 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3700 0.54 ACRES, Multnomah County Property Tax ID Number R319494
 3. 9999 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3100 0.86 ACRES, Multnomah County Property Tax ID Number R319463

The above properties are located in Multnomah County, Oregon and are generally shown on the diagram attached hereto as Exhibit “A” (collectively, the “Property”)

- B. Permittee intends to perform both a Phase I Environmental Survey and a Hazardous Building Survey for the Property as a part of Permittee’s due diligence activities. Any work Permittee performs pursuant to this Permit shall be for the sole benefit of the Permittee, and shall be conducted in furtherance of a contemplated conveyance of the Property from Grantor to Permittee.

NOW THEREFORE, in consideration of the mutual promises contained herein and the performance thereof, the Parties agree to the following:

AGREEMENT

1. **Grant of Permit** Permittee and its agents shall have the right to enter upon the Property at reasonable times to conduct both a Phase I Environmental Survey and a Hazardous Building Survey (“Permitted Use”). Permittee will obtain all required permits to perform this work and will perform such work at Permittee’s sole expense.
2. **Damage to Grantor Facilities.** Permittee shall repair any damage resulting from the acts or omissions of Permittee, its employees, agents, representatives or contractors of any tier in connection with its Permitted Use of the Property.
3. **Damage to Persons or Property.** Permittee shall assume all risk of loss, damage, or injuries of any kind which may result from its use of the Property under this Permit by Permittee, its employees, agents, representatives or contractors of any tier, and Permittee shall, to the extent permitted by law and up to the limits of the Oregon Tort Claims Act (ORS 30.260 to 30.300), hold Grantor harmless from any claims for such loss damage or injuries.
4. **Term of Permit.** This Permit shall commence on the Effective Date and shall continue for term of sixty (60) consecutive days.
5. **Governing Law.** This Permit shall be construed and interpreted in accordance with the laws of the State of Oregon. Further, the Parties stipulate that this Permit is deemed to have been made and entered into by them in the State of Oregon.
6. **Entire Agreement.** This Permit constitutes the entire agreement between the Parties. No waiver, consent, modification or change of terms of this Permit shall bind either Party unless in writing and signed by both Parties.
7. **Severability.** The provisions of this Permit are severable, and if one or more provisions are determined to be unenforceable, in full or in part, by a court of competent jurisdiction, the validity of the remaining provisions, including any partially unenforceable provisions, to the extent enforceable, shall not be affected in any respect whatsoever.
8. **Counterparts.** This Permit may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding all of the Parties hereto, notwithstanding that all such Parties are not signatories to the same counterpart.
9. **Notices.** Notices under this agreement shall be made in writing by U.S. Mail or facsimile to:

PERMITTEE	GRANTOR
John Matschiner, Manager	Dorene Warner
Real Estate Section	Housing Director
Portland Development Commission	Glisan Street Developer, LLC
222 NW Fifth Avenue	C/O Human Solutions, Inc.
Portland, OR 97209	12350 SW Powell Boulevard
	Portland, OR 97236
Tel: 503-823-3200	Tel: 503-548-0223
Fax: 503-823-3369	Fax: 503-988-5202

The Parties agree that any amendments to the Permit shall be made in writing and shall become effective upon execution by the Parties.

10. Special Conditions

- 10.1 All of Permittee's contractors' work shall be completed in a means that minimizes impact on the Property.
- 10.2 All of Permittee's contractors shall be responsible for safety and security measures for their operations, equipment and employees.
- 10.3 Grantor is a non-profit corporation organized under the laws of the State of Oregon. Each person executing this Permit on behalf of Grantor does hereby covenant and warrant that the individual signing this Permit on behalf of the Grantor is duly and validly authorized to do so.
- 10.4 Permittee shall provide advance notice to Grantor of the dates and times that Permittee's contractor shall request access to the Property. Permittee shall coordinate access through Grantor's representative, Dorene Warner 503-548-0223.

IN WITNESS WHEREOF, the Parties have caused this Permit to be executed on the Effective Date.

GRANTOR

Glisan Street Developer, LLC

By: _____

Signature

Written Name

Title

PERMITTEE

Portland Development Commission

By: _____

Executive Director Signature

Written Name

APPROVED AS TO FORM:

By: _____

PDC Legal Counsel

Written Name

After recording return to:

The Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
Attention: General Counsel

STATUTORY WARRANTY DEED

GLISAN STREET DEVELOPER, LLC, , an Oregon limited liability company (“Grantor”), conveys and warrants to THE PORTLAND DEVELOPMENT COMMISSION, the duly authorized and acting urban renewal agency of the City of Portland, Oregon (“Grantee”), the following described real property (the “Real Property”), subject to all encumbrances of record:

1. 618 NE 99th Avenue, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3500, 0.10 ACRES, Multnomah County Property Tax ID Number R319647
2. 9929 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3700 0.54 ACRES, Multnomah County Property Tax ID Number R319494
3. 9999 NE Glisan Street, Portland, Oregon 97220 and a legal property description of SECTION 33 1 N 2 E; TAX LOT 3100 0.86 ACRES, Multnomah County Property Tax ID Number R319463

The true and actual consideration for this conveyance is One Million Nine Hundred Thousand and No/100 Dollars (\$1,900,000.00).

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

DATED: _____, 2009.

GLISAN STREET DEVELOPER, an Oregon limited liability company

By: Human Solutions, Inc., an Oregon nonprofit corporation, member

Jean DeMaster, Executive Director

By: HSMP, LLC, an Oregon limited liability company, member

Harry W. Seabold, member

Stephen C. Seabold, member

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on August ____, 2009 by _____, as _____ of _____.

Notary Public – State of Oregon

State of OREGON

County of WASHINGTON

This instrument was acknowledged before me on August ____, 2009 by _____, as _____ of _____.

Notary Public – State of Oregon

State of OREGON

County of WASHINGTON

This instrument was acknowledged before me on August ____, 2009 by _____, as _____ of _____.

Notary Public – State of Oregon

Schedule 4.1.6

**Seller's disclosure of Property encumbrances in effect at Closing
including any leases and the rights thereunder**

Schedule 4.1.7

Seller's disclosure of liens and uncured notices

Schedule 4.1.10

**Seller's disclosure regarding laws, rules, ordinances or
regulations pertaining to the Property**

Schedule 4.1.13

Seller's disclosure regarding Environmental Reports

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6734

Title:

AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH GLISAN STREET DEVELOPER, LLC FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 9929-9999 NE GLISAN ST AND 618 NE 99TH AVE. IN THE GATEWAY REGIONAL CENTER URBAN RENEWAL AREA; NOT TO EXCEED \$1,900,000


Adopted by the Portland Development Commission on September 9, 2009.

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 Bertha Ferrán	<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 type="checkbox"/>	Commissioner Steven Straus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Charles Wilhoite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input 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 duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: September 28, 2009