

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6736

AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE PROPERTY LOCATED AT 5716 SE 92ND AVENUE FOR A PURCHASE PRICE NOT TO EXCEED \$2.1 MILLION, IN ACCORDANCE WITH THE ADOPTED LENTS TOWN CENTER URBAN RENEWAL PLAN, FOR THE PURPOSE OF REDEVELOPMENT.

WHEREAS, by the virtue of the laws of the State of Oregon, the Portland Development Commission ("PDC") is authorized and empowered to acquire by purchase real property or any interest therein for the purpose of carrying out the project designated in a duly adopted urban renewal plan;

WHEREAS, it has been determined that portions of the real property and improvement thereon located at 5716 SE 92nd Avenue (the "Property"), in the Lents Town Center Urban Renewal Area, have the characteristics of blighted properties as described in ORS 457.010;

WHEREAS, the Property is a 1.32 acre site adjacent to PDC-owned property at SE 92nd and SE Harold (the "92/H Site") and is considered strategic for future redevelopment of the Lents Town Center;

WHEREAS, the owner listed the Property for sale in 2009, and PDC carried out an independent appraisal and conducted negotiations in a satisfactory manner;

WHEREAS, PDC entered into a Purchase and Sale Agreement with the owners of the Property and has completed due diligence investigation to acquire the Property; and

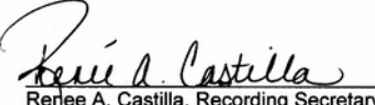
WHEREAS, Lents Town Center Urban Renewal Area funds have been budgeted for the purchase of the Property.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to acquire the Property in the Lents Town Center Urban Renewal Area for an amount not to exceed \$2.1 million, substantially in accordance with the terms and conditions of the Purchase and Sale Agreement attached hereto as Exhibit A;

BE IT FURTHER RESOLVED the Executive Director is authorized to execute all documents required to effectuate the acquisition of the Property; 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.


Rerlee A. Castilla, Recording Secretary

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered this 18th day of May, 2009 (the "**Effective Date**"), by and between LENTSTOWN 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**"). PDC and Seller may be referred to jointly in this Agreement as the "**Parties**" or 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, 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 Lents Town Center Urban Renewal Area (the "**URA**"), which was approved by the City Council of the City on September 9, 1998 (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 renovate the building and attract additional retail and office tenants which will serve as a catalyst for further redevelopment in the URA in accordance with the Urban Renewal Plan Goals And Objectives; specifically, Goal C "Revitalization of Commercial Areas", by rehabilitating existing commercial and mixed use properties;
- 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 that is the subject of this Agreement consists of the property located at 5716 SE 92nd Avenue, Portland, Oregon, more particularly described as follows:
 - a. The land described in Exhibit A (the “**Land**”), attached hereto and incorporated herein by this reference, including all easements, privileges, rights, rights-of-way, and any other rights or interests appurtenant to the Land;
 - b. All the fixtures and improvements currently situated on the Land (collectively, the “**Improvements**”);
 - c. All Seller’s rights, if any, in all tangible personal property, including all apparatus, equipment and appliances used in connection with the operation or occupancy of the Improvements (the “**Personal Property**”); and
 - d. All Seller’s rights, if any, in all the following intangible property now or hereafter existing with respect to the Property (the “**Intangible Property**”):
 - i. All leases, licenses, and other agreements to occupy all or any part of the Land or Improvements together with, and subject to the manner in which the same are to be prorated under this Agreement, all rents, charges, deposits, and other sums due, accrued, or to become due under such leases, licenses and other agreements, and all guaranties by third parties of any tenant’s obligations under the leases, licenses, and other agreements;
 - ii. All plans and specifications, all building permits and other permits pertaining to the construction of the Improvements, and all warranties, guaranties, and sureties now or hereafter received in connection with the construction of, or equipment located on, the Improvements;
 - iii. All licenses, permits, approvals, certificates of occupancy, and franchises relating to the zoning, land use, ownership, operation, occupancy, construction, or maintenance of the Improvements; and
 - iv. All service and maintenance contracts and equipment leases in connection with or used by Seller in the operation or maintenance of the Improvements.

The Land, Improvements, Personal Property and Intangible Property are collectively referred to in this Agreement as the “**Property**”.

3. **Purchase Price.** The purchase price for the Property shall be TWO MILLION ONE HUNDRED THOUSAND AND NO /100 DOLLARS (\$2,100,000) (the “**Purchase Price**”).
4. **Escrow Deposit.** Within ten (10) days after the Effective Date, Buyer shall deposit with PACIFIC NW TITLE COMPANY, located at 4011 NE Hancock St., Portland, Oregon, Attention: Laurie Ruiz (the “**Escrow Agent**”), the amount of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000) (the “**Escrow Deposit**”) to secure Buyer’s obligations under this Agreement. The Escrow Deposit shall be non-refundable to Buyer, except as provided below. The Escrow Holder will invest the Escrow Deposit in a federally insured, interest-bearing account. The accrued interest will be treated as part of the Escrow Deposit and shall be disbursed pursuant to the terms of this Agreement and the Escrow Instructions (as hereinafter defined).
5. **Payment of the Purchase Price.** On the Closing Date (as hereinafter defined) the Purchase Price, subject to a credit for the Escrow Deposit and subject to adjustment as specified in this Agreement, shall be paid in immediately available funds to Seller.
6. **Property Review; Title Review; Property Documentation**

- 6.1 For a period of ninety (90) days after the Effective Date (the “**Review Period**”), Buyer, as it deems necessary, shall be entitled to inspect the Property, to conduct such tests, surveys, and analyses of the Property, and review the Property Documents in order to satisfy itself concerning all aspects of the Property. Seller agrees to reasonably cooperate with Buyer in connection with the tests, investigation and inspection of the Property. Without limiting the generality of the foregoing, Buyer (and persons or entities authorized by Buyer) shall have the right and authority to go upon the Property from time to time on one or more occasions to conduct such tests, surveys, and analyses of the Property, including performing environmental, soils and subsoil tests, and engineering and drainage studies. For any portion of the Improvements that is occupied by a tenant, Buyer will make appropriate arrangements with Seller regarding the time and duration of Buyer’s inspections, and Buyer will take all reasonable steps to protect the tenant’s property and to avoid disturbing the tenant. Buyer will schedule and coordinate all inspections, including, without limitation, any environmental tests, with Seller and will give Seller at least two (2) business days’ prior written notice thereof. Seller will be entitled to have a representative present at all times during each such inspection and communication with tenants.

If Buyer determines, in Buyer’s sole and absolute discretion, that the Property is not acceptable, Buyer shall notify Seller and Escrow Agent in writing on or before expiration of the Review Period, and upon such notice this Agreement shall terminate, Escrow Holder shall return the Escrow Deposit to Buyer, subject to any adjustments for prorations and other credits provided for in this Agreement, and neither Buyer nor Seller shall have any further obligations hereunder.

If Buyer determines, in its reasonable judgment, that it requires additional time to perform its review and inspections provided for in this Section 6, then the Parties will negotiate in good faith an extension of the Review Period of up to 30 days.

- 6.2 **Preliminary Title Report.** Within ten (10) days after the Effective Date, Seller shall cause the Escrow Agent to deliver to Buyer a Preliminary Title Report covering the Property, together with legible copies of all plats and exceptions to title referenced in the Preliminary Title Report. Within ten (10) days of its receipt of the Preliminary Title Report, Buyer shall give written notice to Seller of the exceptions that Buyer shall require Seller to remove of record at or before Closing (the “**Unacceptable Exceptions**”). Exceptions to which Buyer makes no objection are deemed “**Permitted Exceptions**”. Seller shall thereafter have ten (10) days to use its best efforts to remove such Unacceptable Exceptions 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. If for any reason Seller cannot remove any of the Unacceptable Exceptions before Closing, then Buyer may elect to either:
- 6.2.1 accept title to the Property subject to such exceptions;
 - 6.2.2 waive its objection in writing to Seller and elect to have any monetary lien or encumbrance removed at Closing to the extent that it can be satisfied and removed by application of all or a portion of the Purchase Price payable to Seller at Closing; or
 - 6.2.3 refuse to accept the Property and terminate this Agreement, in which case Escrow Holder shall return the Escrow Deposit to Buyer, subject to any adjustments for prorations and other credits provided for in this Agreement, and neither Buyer nor Seller shall have any further obligations hereunder.
- 6.3 **Leases, Contracts, Other Information.** Within ten (10) days after the Effective Date, Seller shall deliver to Buyer, to the extent such items exist, copies of (i) all current leases (referred to, individually, as a “**Lease**” or, collectively, as the “**Leases**”); (ii) all current service and maintenance contracts (the “**Contracts**”); (iii) a list of all current Seller-paid utilities including the service provider and account numbers; (iv) summary of any pending tenant or third party claims, governmental citations, and litigation; (v) summary of capital repairs and expenditures since January 1, 2004; and (vi) environmental studies or reports, engineering studies or reports, surveys, as-built drawings or other plans or specifications, or other such documents in its possession or control relating to the Property (all the documents described in this paragraph 6.3 are collectively referred to as the “**Property Documents**”).

6.4 **Tenant Estoppels.** Seller agrees to use all commercially reasonable efforts to obtain from each tenant of the Property an estoppel certificate confirming the status of the tenant's Lease in the form attached hereto as Exhibit B. Seller shall deliver any estoppel certificates so obtained to Buyer no later than five days after its receipt thereof or the end of the Review Period, whichever is earlier. To the extent Seller is unable to obtain an estoppel certificate from any tenants regarding the tenants' Leases, Seller will provide similar assurances to Buyer by not later than the end of the Review Period.

7. **Closing.**

7.1 **Manner of Closing.** The Closing of the purchase and sale of the Property will occur in an escrow ("**Escrow**") to be administered by the Escrow Agent. 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.

7.2 **Closing Date.** The Parties will close this transaction (the "**Closing**" or "**Closing Date**") on or before the date that is thirty (30) days after the end of the Review Period, including any extensions thereof, unless otherwise agreed to in writing by the Parties.

7.3 **Title.** On the Closing Date, Seller shall convey fee simple title to the Property by the Deed. Fee simple title to the Property shall be good and marketable and shall be insured by an Owner's Standard Form of Title Policy issued by the Escrow Agent in the full amount of the Purchase Price, insuring fee simple title vested in Buyer or its nominees. 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.

7.4 **Taxes.** All property taxes attributable to the year in which the Closing 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 of record 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. 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.

- 7.5 **Utilities.** Seller shall cause all meters for electricity, gas, water, sewer or other utility usage at the Property 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.
- 7.6 **Other Prorations.** 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 responsible for the expenses, for the entire day following the Closing Date. The amount of all refundable tenant deposits shall be credited to the account of Buyer.
- 7.7 **Costs.** 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.
- 7.8 **Documents to Be Deposited Into Escrow by Seller.** On or before the Closing Date, Seller shall deposit into Escrow all of the following:
- 7.8.1 An original statutory warranty deed in the form attached hereto as Exhibit C (the "**Deed**"), duly executed by Seller and notarized.
 - 7.8.2 An original certificate of non-foreign person (the "**FIRPTA Certificate**") duly executed by Seller and notarized.
 - 7.8.3 Such documents as the Escrow Agent may require to establish the authority of Seller to complete the sale of the Property as contemplated by this Agreement.
 - 7.8.4 A Bill of Sale for the Personal Property, duly executed by Seller in the form attached hereto as Exhibit D.
 - 7.8.5 Assignment and Assumption of Leases, duly executed by Seller in the form attached hereto as Exhibit E.
 - 7.8.6 Assignment and Assumption of Contracts, duly executed by Seller in the form attached hereto as Exhibit F.

- 7.8.7 Tenant Notification Letters, duly executed by Seller in the form attached hereto as Exhibit G.
- 7.8.8 The originals or, to the extent originals are unavailable, certified copies of each of the Leases and Contracts.
- 7.8.9 A rent roll, updated as of the Closing Date, certified as to its accuracy and executed by Seller, together with a list of tenants whose rent is past due or who are otherwise in default under their tenant Leases as of Closing. The rent roll should include a list of all refundable deposits paid by tenants to be transferred to Buyer.
- 7.8.10 Keys to all entrance doors to the Improvements and any available keys to Personal Property located on the Property, which keys shall be properly tagged for identification.
- 7.9 **Documents and Sums to Be Deposited Into Escrow by Buyer.** On or before the Closing Date, Buyer shall deposit into Escrow the following:
 - 7.9.1 Such funds (by wire transfer) as are necessary to complete payment of the Purchase Price in accordance with this Agreement and to pay Buyer's portion of the closing costs; and
 - 7.9.2 Such documents as the Escrow Agent may require to complete the sale of the Property as contemplated by this Agreement.
 - 7.9.3 Assignment and Assumption of Leases, duly executed by Buyer in the form attached hereto as Exhibit E.
 - 7.9.4 Assignment and Assumption of Contracts, duly executed by Buyer in the form attached hereto as Exhibit F.
- 7.10 **Close of Escrow.** On the Closing Date, the Escrow Agent shall:
 - 7.10.1 Deliver the Purchase Price (as adjusted by credits, costs and pro-rations) to Seller;
 - 7.10.2 Cause the Deed to be recorded in the Official Records of Multnomah County, Oregon;
 - 7.10.3 Deliver to Buyer: (i) the Buyer's Title Policy (defined below), (ii) the executed FIRPTA Certificate, (iii) the Bill of Sale the originals of the Leases and Contracts, and
 - 7.10.4 Deliver to Seller the Seller's Title Policy (if any).
 - 7.10.5 Promptly after Closing, the Escrow Agent shall deliver to each of Buyer and Seller an accounting of all funds received and disbursed and copies of

all executed and recorded or filed documents deposited with the Escrow Agent with the recording or filing information noted on such documents.

- 7.11 **Title Insurance.** On the Closing Date, the Escrow Agent shall issue to Buyer an extended ALTA owner's policy of title insurance (the "**Buyer's Title Policy**"), insuring Buyer as the owner of the Property subject only to non-delinquent real property taxes and assessments and the Permitted Exceptions. The Buyer's Title Policy shall have a liability limit equal to the Purchase Price. Seller shall pay the premium for standard form coverage, but Buyer shall pay all costs and expenses, including title insurance premiums, in obtaining extended ALTA coverage and endorsements. Buyer shall not be entitled to an extended coverage policy if Buyer has not obtained and delivered to Escrow Agent a Survey.
- 7.12 Subject to the rights of tenants, Seller will deliver possession of the Property to Buyer on the Closing Date. Buyer will be entitled to receive directly from the tenants all rents coming due after the Closing Date.

8. Seller's Representations and Warranties. Seller hereby warrants and represents to Buyer the following matters, and acknowledges that they are material inducements to Buyer to enter into this Agreement

- 8.1 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.
- 8.2 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.
- 8.3 The person(s) 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.
- 8.4 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.
- 8.5 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.

- 8.6 No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to Seller's knowledge, threatened against Seller.
- 8.7 There are no pending, threatened or, to Seller's knowledge, contemplated actions, suits, arbitrations, claims or proceedings, at law or in equity, affecting the Property, or in which Seller is, or will be, a party by reason of Seller's ownership of the Property, other than those instituted by the Buyer with respect to obtaining the necessary entitlements and approvals to develop the Property.
- 8.8 At the time of delivery, all copies of the Property Documents and other writings delivered by Seller to Buyer are true, correct, complete and accurate copies of the originals, and to Seller's knowledge, all such documents delivered by third parties to Buyer are true, correct, complete and accurate copies. In no case, however, does Seller make any representations or warranties with respect to the conclusions, test results, information reported, recommendations or views of any third parties expressed or reported in any such documents except as expressly provided in this Agreement.
- 8.9 No person or entity other than Seller claims any rights of ownership in and to the Property or to purchase the Property.
- 8.10 Seller has delivered or caused to be delivered, or will deliver no later than ten (10) business days following the Effective Date, to Buyer true, complete and accurate copies of all Leases and all such Leases are enforceable according to their terms. Seller is not involved in any claim, dispute or controversy with any lessee.
- 8.11 All operations or activities upon, or use or occupancy of the Property, or any portion thereof, by Seller or any consultant or agent of Seller under Seller's direction and control for such time as Seller has owned the Property does not and did not violate any state, federal and local laws and regulations governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether accidental or intentional) of any toxic or hazardous substances, materials or wastes. Seller has not engaged in or permitted any dumping, discharge, disposal, spillage or leakage (whether legal or illegal, accidental or intentional) of such toxic or hazardous substances, materials or wastes, at, on, in or about, the Property, or any portion thereof in violation of applicable laws. To Seller's actual knowledge, there is no proceeding or inquiry by any governmental authority with respect to any of the matters set forth in this subparagraph. Except as set forth in any environmental report delivered by Seller to Buyer, Seller has no actual knowledge of the presence of any toxic or

hazardous substances, materials or wastes, at, on, in or about, the Property, or any portion thereof.

- 8.12 As of the date of this Agreement, 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, mortgages, licenses, prescriptive rights, permits, or other rights or agreements, 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 or as otherwise disclosed to Buyer in writing. 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.
- 8.13 Liens, Notices. There are no:
- 8.13.1 Intended public improvements or private rights, which will result in the creation of any liens upon the Property or any portion thereof.
- 8.13.2 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;
- 8.13.3 Actual or impending mechanic's liens against the Property or any portion thereof.
- 8.14 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 the Escrow Payment 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.
- 8.15 No representation or warranty by Seller in this Agreement (including the Exhibits attached hereto), nor any other certificate or document furnished by Seller, contains or will contain as of the date hereof or as of Closing any untrue statement of fact, or omits or will omit to state as of the date hereof or as of Closing any fact necessary to make the statements contained herein or therein not misleading, and if discovered, such untrue statement or omission can result in termination of this Agreement by Buyer without any further liability to Seller.

8.16 William Blair Exall, member of Seller, is a licensed real estate broker in the State of Oregon.

9. **Seller's Representations, Warranties and Covenants Regarding the Property through Closing.** Seller further represents, warrants, and covenants that, until this transaction is closed or terminated, whichever comes earlier, Seller shall:

9.1 Maintain the Property in its present state, with no alteration of the Property in any way, excepting ordinary repairs;

9.2 Continue to operate the Property in accordance with its current management, operation, and leasing standards and practices and will take no steps or actions that it knows would be materially detrimental to the value of the Property;

9.3 Without Buyer's prior written consent, not renew or modify any leases or enter into any additional leases of the Property or any portion thereof;

9.4 Not enter into any equipment purchase contract that will not be paid in full before the Closing Date or any service or maintenance contract that cannot be canceled upon thirty (30) days' notice at no cost to Buyer unless Seller first obtains the written approval of Buyer;

9.5 Continue to maintain its current casualty and liability insurance policies on the Property until the Closing Date, but Seller has no responsibility for maintaining any such insurance after the Closing Date or to assign any policy to Buyer; and

9.6 Comply with all government regulations.

10. **PDC's Representations and Warranties.** As of the Effective Date and the Closing Date, PDC hereby represents and warrants to Seller as follows:

10.1 PDC 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.

10.2 PDC has full power and authority to enter into this Agreement in accordance with its terms, and all requisite action has been taken by PDC in connection with the execution of this Agreement.

10.3 This Agreement has been duly executed and delivered by PDC and, subject to the conditions contained herein, constitutes a valid, binding and enforceable obligation of PDC.

10.4 Buyer shall comply with its Relocation Policies and Procedures and any legal requirements related to relocation.

10.5 PDC acknowledges that Seller intends to do a 1031 Exchange, and PDC agrees to cooperate as reasonably necessary to effect this exchange.

11. **Conditions to Closing.** These conditions are intended solely for benefitted party's benefit and the benefitted party shall have the sole right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before Closing, or other date as set forth herein, the benefitted party shall have the right to terminate this Agreement.
 - 11.1 **Buyer's Conditions.** Buyer's obligation to close the purchase and sale transaction contemplated by this Agreement is subject to the satisfaction of each of the following conditions:
 - 11.1.1 Approval by the PDC Board of Commissioners at a public meeting of the transaction contemplated in this Agreement.
 - 11.1.2 At the Closing Date, there will have been no material adverse changes related to or connected with the Property.
 - 11.1.3 Seller's fulfillment of each of its obligations under this Agreement.
 - 11.1.4 The continued accuracy of all Seller's representations and warranties in this Agreement.
 - 11.2 **Seller's Conditions.** Seller's obligation to close the purchase and sale transaction contemplated by this Agreement is subject to the satisfaction of each of the following conditions:
 - 11.2.1 Buyer's fulfillment of each of its obligations under this Agreement.
 - 11.2.2 The continued accuracy of all Buyer's representations and warranties in this Agreement.
12. **Condition of Property.** Buyer acknowledges and agrees that Buyer will be concluding the purchase of the Property based upon Buyer's inspection and investigation of the Property, and is purchasing the Property subject to the representations and warranties set forth herein.
13. **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.
14. **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: Lentstowm LLC
William Blair Exall
20826 NE Interlachen Ln
Fairview, Oregon 97024

With Copy: Paul D. Schramm, CPM
Senior Broker
Doug Bean & Associates, Inc.
Pacwest Center
Suite 1440
503.478.4899

To Buyer: Portland Development Commission
Bernie Kerosky, 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.

15. **Brokerage Commissions.** Paul Schramm (the “**Seller’s Broker**”) represents the Seller and has worked with Seller to facilitate the transactions contemplated by this Agreement. Seller will pay a real estate brokerage commission fee to Seller’s Broker according to the terms of their separate agreement. Seller indemnifies Buyer from any and all claims relating to payment of commissions relating to this transaction. Buyer represents that it has retained no real estate broker in connection with this transaction.
16. **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 purchase and sale contemplated and shall use their best efforts to accomplish the Closing in accordance with the provisions herein.
17. **Legal and Equitable Enforcement of This Agreement.**
 - 17.1 Default by the Seller. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller, Buyer shall be entitled to the refund of the Purchase Price, and shall be entitled to seek specific performance of Seller's obligations.
 - 17.2 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 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.

18. Miscellaneous.

- 18.1 **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.
- 18.2 **Waivers.** The failure of either Party at any time to require performance of any provision of this Agreement will not limit that Party's right to enforce such provision. 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 the provision itself or any other covenant or provision. 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.
- 18.3 **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.
- 18.4 **Headings.** Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- 18.5 **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.
- 18.6 **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.

- 18.7 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.
- 18.8 Counting of Days. The word “day” in this Agreement refers to a business day. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included. If the time for performance of any of the terms of this Agreement falls on a Saturday, Sunday, or legal holiday, then the time for performance will be extended to the next business day thereafter.
- 18.9 Amendments and Modifications. Any modifications to this Agreement shall be made in writing and executed by the Parties, and approved by the PDC Board.
- 18.10 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.
- 18.11 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.
- 18.12 Survival. The terms and provisions of Section 8 shall survive the Closing.
- 18.13 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.
- 18.14 Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the State of Oregon. The parties expressly agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.
19. **Statutory Notice.**

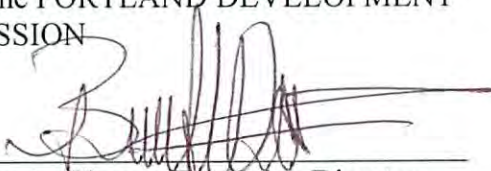
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS 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 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 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 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

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

By: 
Bruce A. Warner, Executive Director

SELLER:

LENTSTOWN LLC, a limited liability company of the State of Oregon

By: 
Name: WILLIAM BLAIR EXALL
Title: MEMBER

Approved as to Form:



Michael J. Grieser
Assistant General Counsel

EXHIBIT A

PARCEL 1: Lots 5 and 6, Block 1, BERNHARDT PARK, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM the West 10 feet as conveyed to the City of Portland for street purposes by Deed recorded February 19, 1921, in Book 836, Page 314 and by Deed recorded July 24, 1956, in Book 1796, Page 212, Multnomah County Records.

PARCEL 2: Lots 22, 23, 24, 25 and 26, Block 2, CLEMSON ADDITION, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM the West 10 feet of said Lots 24, 25 and 26 as conveyed to the City of Portland for street purposes by Deed recorded February 19, 1921, in Book 835, Page 424 and by Deed recorded July 24, 1956, in Book 1796, Page 212, Multnomah County Records.

EXHIBIT B
TENANT ESTOPPEL CERTIFICATE

This Tenant Estoppel Certificate ("**Certificate**") is made by (INSERT TENANT NAME) ("**Tenant**") in favor of (INSERT CURRENT LANDLORD NAME) ("**Landlord**") and CITY OF PORTLAND, acting by and through the PORTLAND DEVELOPMENT COMMISSION, as the duly designated Urban Renewal Agency of the City of Portland ("**PDC**").

Tenant and Landlord entered into a Lease dated (INSERT LEASE DATE) (the "**Lease**") for the premises described in the Lease (the "**Premises**"). Landlord and PDC are considering a transaction (the "**Transaction**") in which PDC may acquire the real property subject to the Lease (the "**Real Property**") and assume all of Landlord's obligations under the Lease. Tenant is signing and delivering this Certificate pursuant to Section 16 of the Lease, and as a condition to Landlord and PDC closing the Transaction.

Tenant certifies to Landlord and PDC as follows:

1. **Lease.** The Lease consists only of the following: (INSERT THE APPROPRIATE LEASE DOCUMENT(S)) (a) the Original Lease, (b) Addendum Number One (1), (c) Assignment and Assumption of Lease, and (d) Landlord's Release. No other written or oral agreements related to the Lease or the Premises exist between Landlord and Tenant.
2. **No Assignments or Subleases.** Except for the assignments and subleases described above, if any, Tenant has not assigned the Lease or subleased any part of the Premises to any person.
3. **Lease Terms.** The expiration date of the Lease is (INSERT LEASE EXPIRATION DATE).
4. **Binding Obligation.** The Lease is in full force and effect, and is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.
5. **Performance of Obligations.** Tenant has performed all of Tenant's obligations under the Lease and is not in default or violation of the Lease. Tenant also has valid insurance as required under the lease. If this is not the case, please provide and attach an explanation. To Tenant's Knowledge:
 - 5.1 Landlord has performed all of Landlord's obligations under the Lease and is not in default or violation of the Lease; and
 - 5.2 no event has occurred or circumstances exist that will likely result in Landlord's failure to perform any of Landlord's obligations under the Lease.
6. **No Other Obligations.** Landlord is not required to perform any obligation for Tenant's benefit related to the Lease or the Premises that is not expressly set forth in the Lease.

7. **No Termination.** Tenant has no right to terminate the Lease as a result of any fact or condition that occurred before the date of this Certificate.
8. **No Other Rights.** Tenant has no interest in the Premises or the Real Property other than Tenant's interest in the Lease. Tenant has no right or option to buy the Real Property or to lease additional space from Landlord.
9. **No Waiver.** Landlord has not waived any right or remedy available to Landlord under the Lease.
10. **Deposits.** Tenant has not paid any security or other deposit to Landlord other than the deposit specified in (INSERT LEASE SECTION FOR DEPOSITS) of the Lease.
11. **Rent Amount.** The current Base Rent for (INSERT SUITE NUMBER, IS \$ PER MONTH THROUGH LEASE EXPIRATION DATE)
12. **Rent Payments.** Tenant has paid all rent under the Lease through the month of (INSERT MONTH & YEAR). The next rent payment is due on (INSERT MONTH NEXT PAYMENT IS DUE).
13. **No Prepayments or Adjustments.** Tenant has not and will not prepay any rent or other payments that are due under the Lease after the date of this Certificate. Tenant has not made and will not make any other advances to Landlord for which Tenant has a right of refund, deduction, or offset against any payments that are due under the Lease after the date of this Certificate. All adjustments with respect to amounts that have been paid by Tenant to Landlord under the Lease for all periods during all prior calendar years have been made. Tenant will not make any claim for adjustment or refund of any payment to Landlord for any period during any prior calendar year.
14. **Fixtures and Improvements.** To Tenant's Knowledge: all fixtures and improvements on the Premises are in good repair and operating condition, reasonable wear and tear excepted.
15. **Hazardous Substances.** To Tenant's Knowledge, no Hazardous Substance is present on or has been spilled, discharged, or otherwise released on or into the Premises or the Real Property. Tenant has complied with all applicable Environmental Laws during Tenant's occupancy of the Premises. As used herein: (a) "Environmental Law" means any law designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety; (b) "Hazardous Substance" means any hazardous or toxic substance, material, or waste, including but not limited to: any hazardous or toxic substance, material, or waste that is defined as such under any Environmental Law; and petroleum, petroleum products, asbestos, presumed asbestos-contaminating materials, asbestos-contaminating materials, urea formaldehyde, and polychlorinated biphenyls; and (c) "Knowledge" means, with respect to Tenant, the actual knowledge of Tenant, and any knowledge that Tenant would have obtained if Tenant had conducted a reasonably comprehensive investigation of the relevant matter.
16. **No Insolvency.** Tenant has not been adjudicated as bankrupt or insolvent, and no bankruptcy case has been commenced by or against Tenant. No petition has been filed by or

against Tenant seeking for Tenant any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or rule. Tenant has not made an assignment for the benefit of creditors, and has not sought, consented to, or acquiesced in the appointment of a trustee, receiver, or liquidator of Tenant or of all or any substantial part of Tenant's properties. Tenant is able to pay Tenant's debts as they become due in the ordinary course of business. The fair value of the total assets of Tenant at least equals the sum of Tenant's total liabilities.

17. **Notification of Changes.** Until Landlord or PDC notifies Tenant in writing that the Transaction has closed or been terminated, Tenant will promptly notify Landlord and PDC in writing if:
- 17.1 Tenant discovers that any certification made by tenant in this Certificate was inaccurate in any respect as of the date of this Certificate; or
 - 17.2 except for the payment of rent by Tenant not earlier than 20 days before the date the payment is due and not later than the date the payment is due, any fact or condition occurs after the date of this Certificate that would cause any certification in this Certificate to be inaccurate in any respect if the certification were made as of the date of the occurrence.
18. **Attornment.** If the Transaction closes, Tenant will attorn to PDC as the landlord under the Lease. The attornment will occur automatically and will be effective without the parties signing any documents or taking any other actions.
19. **Acknowledgment of Reliance.** Tenant acknowledges that Landlord and PDC will rely on the certifications in this Certificate as a basis for closing the Transaction.

Tenant: (INSERT TENANT NAME)

Signature: _____

Name/Title: _____

Date: _____

**EXHIBIT C
FORM OF DEED**

After recording return to:
Portland Development Commission
Attn: Real Estate Services
222 NW 5th Ave
Portland, Oregon 97209-3859

Until a change is requested,
send all tax statements to:

STATUTORY WARRANTY DEED

Lentstown LLC, a limited liability company of the State of Oregon (“Grantor”), conveys and warrants to the City of Portland, acting by and through the Portland Development Commission (“Grantee”), the following described real property free of encumbrances except as specifically set forth in the attached Exhibit A:

PARCEL 1: Lots 5 and 6, Block 1, BERNHARDT PARK, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM the West 10 feet as conveyed to the City of Portland for street purposes by Deed recorded February 19, 1921, in Book 836, Page 314 and by Deed recorded July 24, 1956, in Book 1796, Page 212, Multnomah County Records.

PARCEL 2: Lots 22, 23, 24, 25 and 26, Block 2, CLEMSON ADDITION, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM the West 10 feet of said Lots 24, 25 and 26 as conveyed to the City of Portland for street purposes by Deed recorded February 19, 1921, in Book 835, Page 424 and by Deed recorded July 24, 1956, in Book 1796, Page 212, Multnomah County Records.

The true consideration for this conveyance is _____.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. 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 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 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 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Dated: _____, 2009.

LENTSTOWN LLC, a limited liability company
of the State of Oregon

EXHIBIT D
Bill of Sale

For good and valuable consideration, the receipt of which is hereby acknowledged, _____ (“Seller”) does hereby sell, assign, transfer, and convey to _____ (“Buyer”) all personal property owned by Seller and located on or in or used in connection with the Property (as that term is defined in the Purchase and Sale Agreement dated _____, 20____, between Seller and Buyer), and that is described in the Schedule attached hereto and incorporated herein by this reference.

Seller hereby represents and warrants to Buyer that Seller is the lawful owner of this personal property, that this personal property is free and clear of all liens, encumbrances, conditional sales contracts, security interests, and claims, and that Seller has all lawful right and authority to make this conveyance.

DATED: _____, 20_____.

SELLER:

By:
Printed Name:
Its:
Date Executed:

EXHIBIT E
Assignment and Assumption of Leases

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") dated _____, 20____, is between _____ ("Assignor") and _____ ("Assignee").

A. Assignor is the lessor under those leases executed with respect to the Property (as defined below), which leases are described in the Schedule attached hereto (the "Leases").

B. Assignor and Assignee have entered into a Purchase and Sale Agreement dated _____, 20____ (the "Agreement"), under which Assignee agreed to purchase the real property and improvements described therein (the "Property") from Assignor and Assignor agreed to sell the Property to Assignee, on the terms and conditions contained therein.

C. Under the Agreement, Assignor desires to assign its interest as landlord under the Leases to Assignee, and Assignee desires to accept the assignment thereof, on the terms and conditions set forth below.

ACCORDINGLY, the parties hereto agree as follows:

1. As of the date on which the Property is conveyed to Assignee under the Agreement (the "Conveyance Date"), Assignor hereby assigns and transfers to Assignee all of landlord's right, title, and interest in and to the Leases, including all rights to collect rent thereunder.

2. Assignor will defend, indemnify, and hold harmless the Assignee from and against all third-party claims for premises liability regarding any injury or damage to the third party or its property that occurred on or about the Property before the date of this Assignment.

3. As of the Conveyance Date, Assignee hereby assumes all landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all claims arising out of or related to landlord's obligations under the Leases for the period on and after the Conveyance Date.

4. In the event of any dispute between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party must pay the prevailing party's costs and expenses of the dispute, including, without limitation, reasonable attorney fees and costs incurred at or in preparation for discovery (including depositions), arbitration, trial, appeal, and review.

5. This Assignment is binding on and inures to the benefit of the parties hereto and their respective successors and assigns.

6. This Assignment may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

Assignor and Assignee have executed this Agreement as of the day and year first written above.

ASSIGNEE:

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

By: _____
Bruce A. Warner, Executive Director

ASSIGNOR:

LENTSTOWN LLC, a limited liability company of the State of Oregon

By: _____

Name: _____

Title: _____

Approved as to Form:

Michael J. Grieser
Assistant General Counsel

**SCHEDULE
TO
ASSIGNMENT AND ASSUMPTION OF LEASES**

[Identification of Leases]

EXHIBIT F

ASSIGNMENT AND ASSUMPTION OF CONTRACT

THIS ASSIGNMENT is dated _____, 2009, and is made by and between, Lentstown LLC, a limited liability company of the State of Oregon (“Assignor”), and the City of Portland, a municipal corporation of the State of Oregon, acting by and through the Portland Development Commission (“Assignee”), with reference to the following:

Assignor and Assignee have entered into that certain Purchase and Sale Agreement effective as of _____, 2006, as it may be amended to date (the “Purchase Agreement”), pursuant to which Assignor is selling to Assignee, simultaneously with the delivery of this Assignment, that certain real property (the “Property”) located at 5716 SE 92nd Ave, in the City of Portland, County of Multnomah, State of Oregon, together with associated personal property.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Assignor hereby assigns and transfers unto Assignee:

(A) All assignable warranties and guaranties (including without limitation those set forth in Schedule 1 attached hereto), made by or received from any third party with respect to any building, building component, structure, fixture, machinery, equipment, or material situated on, contained in any building or other improvement situated on, or comprising a part of any building or other improvement situated on, the Property;

(B) All of the service contracts listed in Schedule 2 attached hereto; and

(C) All contract rights and other rights and property interests now or hereafter owned by Assignor and related exclusively to the Property or any improvements or personal property located thereon, including without limitation, the right to use any trade name now used in connection with the Property and any governmental permits or licenses (including without limitation certificates of occupancy), agreements, utility contracts, plans and specifications, tenant records, or other rights, documents, records, or materials relating to the ownership, use, maintenance, or operation of the Property.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. Assignor warrants and covenants that the warranties and guarantees described in Schedule 1 (if any) and the service contracts described in Schedule 2 (if any) are unmodified except as shown in the schedules and are transferred by Assignor free and clear of any liens, encumbrances, and third-party interests or claims and that Assignor has all lawful right and authority to make this Assignment. This Assignment does not assign any property management contract to which Assignor is a party. Assignor shall remain responsible to pay all amounts due under or in respect of the service contracts and other rights and interests assigned and transferred hereunder accruing prior to closing of the transaction contemplated in the Purchase Agreement.

2. Assignee hereby accepts the foregoing assignment and hereby assumes all of the duties, obligations and responsibilities of the Assignor under the service contracts listed in Schedule 2 accruing after the closing of the transaction contemplated in the Purchase Agreement. With respect to all other contract rights and other rights and property interests assigned herein, Assignee accepts assignment thereof subject to the responsibility to pay all amounts due under or in respect thereof accruing after the closing of the transaction contemplated in the Purchase Agreement.

3. Assignor hereby agrees to defend and indemnify Assignee from and against any and all claims, costs, liabilities, damages and expenses (including related attorneys' fees) arising under or in connection with any of the assigned service contracts or other rights and property interests accruing before the closing of the transaction contemplated in the Purchase Agreement.

4. This Assignment shall be binding on and inure to the benefit of the parties hereto and their successors in interest and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first above written.

ASSIGNEE:

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

By: _____
Bruce A. Warner, Executive Director

ASSIGNOR:

LENTSTOWN LLC, a limited liability company of the State of Oregon

By: _____

Name: _____

Title: _____

Approved as to Form:

Michael J. Grieser
Assistant General Counsel

EXHIBIT G
NOTICE LETTER TO TENANTS

_____, 2009

RE: Notice of Change of Ownership of [Property]

Ladies and Gentlemen:

You are hereby notified as follows:

1. That as of the date hereof, Lentstow, LLC, an Oregon limited Liability Company, sold, assigned, and conveyed the above described property (the "Property") to the City of Portland, a municipal corporation of the State of Oregon acting by and through the Portland Development Commission (the "New Owner").

2. Future notices and rental payments with respect to your leased premises at the Property should be made to the New Owner in accordance with your lease terms at the following address:

Portland Development Commission
Attn: Real Estate Services
222 NW 5th Ave
Portland, Oregon 97209-3859
Attn: _____

3. Your security deposit has been transferred to the New Owner and as such the New Owner shall be responsible for holding the same in accordance with the terms of your lease.

Very truly yours,

Name, Title
Lentstow, LLC

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6736

Title:

AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE PROPERTY LOCATED AT 5716 SE 92ND AVENUE FOR A PURCHASE PRICE NOT TO EXCEED \$2.1 MILLION, IN ACCORDANCE WITH THE ADOPTED LENTS TOWN CENTER URBAN RENEWAL PLAN, FOR THE PURPOSE OF REDEVELOPMENT.


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 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 duly recorded in the official minutes of the meeting.


Reree A. Castilla, Recording Secretary

Date: September 28, 2009