

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6783

**AUTHORIZING THE SALE OF PDC-OWNED PROPERTY
LOCATED AT 2650 NW UPSHUR STREET FOR \$50,000 TO A
NORTHWEST HOUSING ALTERNATIVES CONTROLLED
ENTITY TO FACILITATE THE PRESERVATION OF AN
AFFORDABLE HOUSING PROJECT**

WHEREAS, the Portland Development Commission ("PDC") owns certain real property located at 2650 NW Upshur (the "Property");

WHEREAS, PDC previously entered into a sixty year lease agreement with Upshur House, LTD. on February 29, 1980 to facilitate the development of affordable housing subsidized with Section 8 rental subsidies on the Property;

WHEREAS, the Section 8 contract with the Department of Housing and Urban Development ("HUD") will expire in July 2010;

WHEREAS, the Board of Commissioners approved an assignment of the Lease Agreement to a Northwest Housing Alternatives (NHA) controlled entity on January 14, 2009 (Resolution No. 6664), to allow NHA to purchase the existing affordable housing project in connection with a planned site rehabilitation and extension of the Section 8 contract;

WHEREAS, NHA has assembled approximately \$8,000,000 of rehabilitation and permanent financing associated with rehabilitating the project, and

WHEREAS, the sale of the property to NHA will enable the project to meet lender requirements regarding encumbrances to be recorded against the subject property.

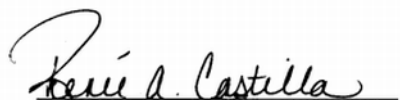
NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to sell the Property to an NHA controlled entity for the sum of \$50,000 and on the terms and conditions of a Purchase and Sale Agreement in substantially the form attached hereto as Exhibit A (the "Purchase and Sale Agreement") ;

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to enter into the Purchase and Sale Agreement and take such additional actions and execute and deliver such additional documents as may be necessary or desirable to complete the transaction authorized by this resolution;

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to modify the Purchase and Sale Agreement, before or after execution, if such modifications do not materially increase PDC's risks or obligations; and

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

Adopted by the Portland Development Commission on April 14, 2010.


Renee A. Castilla, Recording Secretary

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made as of April ____, 2010 between 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 ("Seller") and Upshur Renewal LLC, an Oregon limited liability company ("Buyer").

SALE OF PROPERTY

- 1. Agreement to Purchase and Sell.** Pursuant to the terms of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Seller's real property located at 2650 NW Upshur Street, Portland, Oregon, the legal description of which is set forth on Exhibit A hereto (the "Real Property"). The Real Property sold hereunder is land and does not include buildings, structures, and appurtenances thereto (the "Building") as Buyer previously acquired the Building from the original lessee of the Real Property.
- 2. Termination of Lease.** Effective on Closing (as defined below), Seller and Buyer hereby terminate that certain Lease Agreement dated February 29, 1980 ("Lease Agreement") between Seller and Buyer (as assignee of the original lessee thereunder) including but not limited to the purchase option set forth in Section 21 of the Lease Agreement.
- 3. Purchase Price.** The Purchase Price for the Real Property shall be Fifty Thousand Dollars (\$50,000) (the "Purchase Price"). The Buyer shall pay the Purchase Price to Seller in cash at Closing.
- 4. Deposit.** Within __ days of execution of this Agreement (a) Seller and Buyer shall set up an escrow account with _____ Title Insurance Company (hereinafter the "Escrow Agent") at _____ Portland, Oregon, and (b) Buyer shall deposit with the escrow agent the amount of \$5,000 (the "Deposit"). The Deposit shall be in cash and shall be held as security for the obligations of Buyer hereunder. The Deposit shall be held in an interest bearing account, and all interest earned shall be considered part of the Deposit. At Closing, the Deposit shall be applied to the payment of the Purchase Price. Buyer's failure to make the Deposit by the date indicated above shall give the Seller the right to terminate this Agreement.
- 5. Conveyance by Bargain and Sale Deed.** At Closing, Seller shall convey title to the Real Property to Buyer by a Statutory Bargain and Sale Deed in substantially the form attached as Exhibit B (the "Deed").
- 6. AS IS Sale.** Buyer has examined the Real Property to its own satisfaction and has formed its own opinion as to the condition (including environmental condition) and value thereof. Buyer has not relied on any statements or representations from Seller or any person acting on behalf of Seller concerning any of the following: the size or area of the Real Property, the location of corners or boundaries of the Real Property, the condition of the Real Property, including but not limited to, environmental condition above or below the surface of the Real Property or compliance with environmental laws and other governmental requirements, the availability of services to the Real Property, or the ability of Buyer to use the Real Property

or any portion thereof for any intended purpose. **Buyer is acquiring the Real Property, in the condition existing at the time of Closing, AS IS, with all defects, if any. Buyer waives, releases and forever discharges Seller and Seller's successors and assigns, of and from all claims, actions, causes of action, fines, penalties, damages (including consequential, incidental and special damages), costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Real Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Real Property. The provisions of this section shall be included in the Bargain and Sale Deed, and survive Closing and shall be binding on the Buyer and Buyer's successors and assigns.**

7. **No Warranties of Title; Title Insurance.** Seller makes no representations or warranties regarding the state and nature of title to the Real Property. Buyer may, at its own cost, purchase Title Insurance.
8. **Conditions of Seller.** Seller's obligation to sell the Real Property is conditioned upon (a) the approval of this Purchase and Sale Agreement by the governing body of the Portland Development Commission, (b) the Trustee's full reconveyance of the Trust Estate under that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded in the real property records of Multnomah County on _____, 2009 as Fee No. _____, and (c) the recordation against the Real Property of a 60-year affordable housing covenant in favor of the Portland Housing Bureau.

CLOSING

9. **Escrow Instructions.** Upon execution of this Agreement, the parties hereto shall deposit executed counterparts of this Agreement with the Escrow Agent. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the title company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.
10. **Closing.** Subject to the conditions set forth in Section 8, the closing hereunder ("Closing") shall be held at the offices of the Escrow Agent on April_____, 2010 or such earlier or later date as the Parties may mutually agree, such agreement at each Party's sole discretion. If the Closing has not occurred by June 30, 2010, solely because one or more of the conditions set forth in Section 8 remains unsatisfied, this Agreement shall automatically terminate on July 1, 2010 and, upon termination, neither Party shall have any further rights or obligations under this Agreement.
11. **Seller's Closing Documents.** At or before Closing, Seller shall deposit with the Escrow Agent, the following items:
 - A. The duly executed and acknowledged Deed.
 - B. Such additional funds as are necessary to close this transaction.
12. **Buyer's Funds.** At or before Closing, Buyer shall deposit with the Escrow Agent:

Any such notices may be sent by (a) certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. mail or (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier.

20. Risk of Loss. Buyer shall be bound to purchase the Property for the full Purchase Price as required by the terms hereof, without regard to the occurrence or effect of any damage to the Property or destruction of any improvements thereon.

21. Governing Law. All matters with respect to this Agreement, including but not limited to matters of validity, construction, effect, and performance, will be governed by the laws of the State of Oregon applicable to contracts made and to be performed therein between residents thereof.

22. Counterparts. This Agreement may be executed in fully executed counterparts, each of which will be deemed an original binding the signer thereof against the other signing party, but all counterparts together will constitute one and the same instrument.

23. Entire Agreement. This Agreement and any other document to be furnished pursuant to the provision hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof.

24. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement.

25. Statutory Disclaimer.

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 ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. 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 THE STRUCTURES 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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. ORS 93.040(2).

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

SELLER: CITY OF PORTLAND ACTING BY AND THROUGH
THE PORTLAND DEVELOPMENT COMMISSION

By: _____
Bruce A. Warner, Executive Director

Approved as to form:

By: _____
PDC Legal Counsel

BUYER: UPSHUR RENEWAL LLC
an Oregon limited liability company

By: Northwest Housing Alternatives, Inc.,
an Oregon nonprofit public benefit corporation
Its: Sole Member

Jonathan Trutt, Housing Director

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

DEED

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6783

Title:

AUTHORIZING THE SALE OF PDC-OWNED PROPERTY LOCATED AT 2650 NW UPSHUR STREET FOR \$50,000 TO A NORTHWEST HOUSING ALTERNATIVES CONTROLLED ENTITY TO FACILITATE THE PRESERVATION OF AN AFFORDABLE HOUSING PROJECT

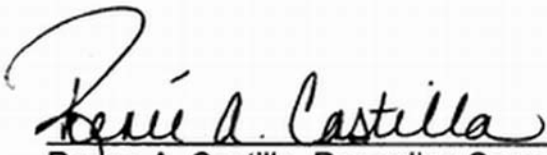
Adopted by the Portland Development Commission on April 14, 2010.

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 checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" 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.



Renee A. Castilla, Recording Secretary

Date: April 22, 2010