

**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO. 6872**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE CERTAIN REAL PROPERTY LOCATED AT 8411 N. DENVER, 8419 N. DENVER, 2221 N. ARGYLE, AND 2221 W/ N. ARGYLE FOR AN AMOUNT NOT TO EXCEED \$3,657,000 FOR THE PURPOSE OF REDEVELOPMENT IN ACCORDANCE WITH THE INTERSTATE CORRIDOR URBAN RENEWAL PLAN**

**WHEREAS**, by virtue of the laws of the State of Oregon, the Portland Development Commission (“PDC”) is authorized and empowered to acquire by purchase real property for the purpose of carrying out a duly adopted urban renewal plan;

**WHEREAS**, it has been determined that certain real property and the improvements thereon located at 8411 N. Denver, 8419 N. Denver, 2221 N. Argyle, and 2221 W/ N. Argyle (collectively, the “Property”) in the Interstate Corridor Urban Renewal Area, have the characteristics of blight as described in ORS 457.010 and that the acquisition thereof is consistent with the objectives of the Plan;

**WHEREAS**, the Property is a 3.5-acre property assemblage adjacent to the Interstate Avenue MAX station, located at the gateway of the Kenton business district, and is considered strategic for the enhancement of the future redevelopment of that district;

**WHEREAS**, the Property is owned by 8411 N. Denver, L.L.C., an Oregon limited liability company; 8419 N. Denver, L.L.C., an Oregon limited liability company; 2221 N. Argyle, L.L.C., an Oregon limited liability company; and 2399 N. Argyle, L.L.C., an Oregon limited liability company, respectively (collectively, “Seller”);

**WHEREAS**, PDC staff is satisfied with the results of their due diligence investigation and recommends proceeding to closing to acquire the Property; and

**WHEREAS**, Interstate Corridor 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 for an amount not to exceed \$3,657,000 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 is authorized to execute all documents required to effectuate the acquisition of the Property;

**BE IT FURTHER RESOLVED** that the Board finds that the acquisition of the Property is consistent with the objectives of the Plan; and

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

**Adopted by the Portland Development Commission May 11, 2011.**

  
\_\_\_\_\_  
Recording Secretary

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6872

Title:

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE CERTAIN REAL PROPERTY LOCATED AT 8411 N. DENVER, 8419 N. DENVER, 2221 N. ARGYLE, AND 2221 W/ N. ARGYLE FOR AN AMOUNT NOT TO EXCEED \$3,657,000 FOR THE PURPOSE OF REDEVELOPMENT IN ACCORDANCE WITH THE INTERSTATE CORRIDOR URBAN RENEWAL PLAN**

Adopted by the Portland Development Commission on May 11, 2011.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Aneshka Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner John Mohlis	<input 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.*

  
\_\_\_\_\_  
Recording Secretary

Date: May 11, 2011

## PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered this 22 day of November, 2010 (the "Effective Date"), by and between 8411 N. Denver, L.L.C., an Oregon limited liability company; 8419 N. Denver, LLC, an Oregon limited liability company; 2221 N. Argyle, L.L.C., an Oregon limited liability company; and 2399 N. Argyle, L.L.C., an Oregon limited liability company (collectively, "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, PDC has undertaken a program for the development and redevelopment of blighted areas in the City of Portland (the "City") and in connection therewith prepared and approved an Urban Renewal Plan for the Interstate Corridor Urban Renewal Area (the "URA"), which was approved by the City Council of the City on August 23, 2000 by Ordinance 174829 (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 remediate and redevelop which will serve as a catalyst for further redevelopment in the URA;
- D. Therefore, PDC desires to purchase the Property from Seller and Seller desires to sell the Property to PDC;
- 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.

## AGREEMENT

**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:

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 8419 N. Denver Avenue, 8411 N. Denver Avenue, 2221 N. Argyle Street, and 2399 N. Argyle Street, 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"); (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; (iii) 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 specifically described in Exhibit B attached hereto (the "Personal Property"); and (iv) all Seller's rights, if any, in all the following intangible property now or hereafter existing with respect to the Property (the "Intangible Property"):

- (A) 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;
- (B) 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;
- (C) 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

(D) all service and maintenance contracts and equipment leases in connection with or used by Seller in the operation or maintenance of the Improvements.

(which Land, together with the Appurtenances, the Improvements, Personal Property and the Intangible Property is collectively referred to herein as the "Property").

3. **Purchase Price.** The purchase price for the Property shall be THREE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND AND NO /100 DOLLARS (\$3,825,000.00) (the "Purchase Price"), subject to adjustment as provided herein.
- 3.1 **Escrow Deposit.** Within ten (10) days after the Effective Date, Buyer shall deposit with First American Title Insurance Company, located at 200 SW Market, Suite 250, Portland, Oregon 97201 (the "Escrow Agent") the amount of THIRTY THOUSAND DOLLARS (\$30,000) (the "Escrow Deposit") to secure Buyer's obligations under this Agreement. The Escrow Deposit shall be fully 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)
- 3.2 **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 the adjustments specified herein, shall be paid in immediately available funds to Seller.
- 3.3 **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.
- 3.4 **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.

3.5 **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 or Deeds (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.

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

4. **1031 Exchange.** Buyer acknowledges that Seller may wish to complete the sale of the Property in whole or in part as an exchange that will qualify for non-recognition of gain under §1031 of the Internal Revenue Code. Buyer agrees to cooperate to effect such an exchange transaction if requested to do so by Seller; provided, however, that Buyer incurs no additional costs as a result of or in connection therewith and Buyer shall not be required to take title to any real property to facilitate the exchange.

5. **Representations, Warranties and Covenants**

5.1 **Sellers' Representations and Warranties.** Seller hereby warrants and represents to Buyer to the best of Seller's actual knowledge, as the Effective Date and as of the Closing Date the following and acknowledges that they are material inducements to Buyer to enter into this Agreement:

5.1.1 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.

5.1.2 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.

5.1.3 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.

5.1.4 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.

5.1.5 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.

5.1.6 Except as set forth on Schedule 5.1.6 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, 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.

5.1.7 Except as set forth on Schedule 5.1.7 attached hereto, there are no:

5.1.7.1 Intended public improvements or private rights, which will result in the creation of any liens upon the Property or any portion thereof.

5.1.7.2 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;

5.1.7.3 Actual or impending mechanic's liens against the Property or any portion thereof.

5.1.8 There are no actions, suits or proceedings (including arbitration proceedings) pending or to the best of Seller's knowledge, threatened against Seller 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.

5.1.9 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.

5.1.10 Except as set forth in Schedule 5.1.10 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.

5.1.11 There are no material contracts or agreements related to the use, ownership or operation of the Property.

5.1.12 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.

5.1.13 Except as otherwise disclosed herein, 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 5.1.13 attached hereto and Seller has no actual knowledge of any previous or present generation, storage or disposal or existence thereof except as disclosed in the reports listed on Schedule 5.1.13. "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 5.1.13 attached hereto. Except for those environmental reports listed on Schedule 5.1.13, (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.

5.1.14 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.

**5.1.15 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.

5.1.16 **As Is.** Except for the representations and warranties set forth herein, the Property is sold "AS IS". Seller makes no other warranties, expressed or implied, as to the condition of the Property other than those warranties set forth herein.



**5.2 Seller's Covenants.** Seller hereby covenants and agrees with Buyer that:

5.2.1 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;

5.2.2 From and after the Effective Date through the Closing Date, Seller shall comply with all government regulations applicable to the Property;

5.2.3 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;

5.2.4 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;

5.2.5 Seller agrees to terminate as of the Closing Date, any property management, leasing brokerage and service contract or agreement relating to the Property unless Buyer requests otherwise, by written notice to Seller prior to the expiration of the Inspection Period (as hereinafter defined); and

5.2.6 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.

**5.3 Buyer's Representations and Warranties.** Buyer hereby warrants and represents to Seller, to the best of Buyer's actual knowledge, as the Effective Date and as of the Closing Date the following:

5.3.1 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.

5.3.2 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.

5.3.3 This Agreement has been duly executed and delivered by Buyer and constitutes a valid, binding and enforceable obligation of Buyer.

**5.4 Seller Recognition.** Buyer hereby agrees to install a plaque on the Property that identifies and recognizes the Nelson family's history with regard to Property and the Kenton community and the use of the Property and adjacent parcels by the

Nelson family. The costs of the design and production of such plaque, to the extent commissioned by Seller, must be approved in writing by Buyer prior to any work being commenced. The design, dimensions, inscription and placement of such plaque shall be subject to Buyer's approval and to the City of Portland design review and other processes. Buyer shall bear all costs in connection with the design, production and placement of such plaque to the extent that Buyer consented in writing to costs associated with work commissioned by Seller. Buyer shall have the right, at Buyer's sole discretion to relocate the plaque at Buyer's expense.

5.5 **Survival.** The provisions of this Section 5 shall survive the Closing.

6. **Access, Inspection, Due Diligence Materials and Estoppel Certificates**

6.1 **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 C (the "Permit of Entry").

6.2 **Due Diligence Materials.** Seller agrees to provide Buyer (a) a Preliminary Title Report or Reports covering the Property, and exception documents referenced in the Preliminary Title Report or Reports (collectively, the "Preliminary Title Report") within ten (10) days of the Effective Date; (b) copies of all the reports listed on Schedule 5.1.13 within ten (10) days of the Effective Date; (c) to the extent not included on Schedule 5.1.13, 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.

6.3 **Inspection Period.** Buyer shall notify Seller no later than one hundred and twenty (120) days of 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, in Buyer's sole discretion may elect, by written notice to Seller, on or before 5:00 p.m. on the expiration 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. In the event that Buyer's due diligence shall reveal that environmental cleanup of the Property is deemed necessary, Buyer and Seller may negotiate a reduction in the Purchase Price to cover the costs associated with such environmental cleanup.

Buyer shall provide copies of all environmental due diligence reports to Seller for review. In the event Buyer and Seller are unable to negotiate a reduction in the Purchase Price to cover the costs associated with such environmental clean up, this Agreement shall be terminated and null and void without recourse to either Party hereto and the Earnest Money shall be refunded to Buyer.

- 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 D. 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. Title Insurance

- 7.1 **Preliminary Title Report.** In accordance with Section 6.2, Seller shall cause the Escrow Agent to deliver the Preliminary Title Report to Buyer within ten (10) days of the Effective Date. Buyer shall have forty (40) days after receipt of (a) a copy of the Preliminary Title Report together with complete and legible copies of the documents shown in the Preliminary Title Report as exceptions to title, and (b) and ALTA/ACSM survey of the Property to give notice to the Seller of any objection(s) to such title or to any liens, encumbrances or the exceptions affecting title to the Property ("Title Objections"). In the event Buyer fails to raise any such Title Objections within such forty (40) day time period, all conditions and exceptions to title set forth in the Preliminary Title Report shall be deemed "Permitted Exceptions." In the event Buyer presents Title Objections to an exception to title within the forty (40) day time period, Seller shall be obligated to notify Buyer within ten (10) business days after receipt of notice of Buyer's Title Objections whether the Seller is willing and able to remove such Title Objection(s). If the Seller is willing and able to remove such Title Objection(s), the Seller shall do so at or prior to Closing, and all remaining exceptions set forth in the Preliminary Title Report and not objected to by Buyer shall be deemed "Permitted Exceptions." In all events, the Seller shall be obligated to remove all liens, encumbrances (except that zoning designations and restrictions and Conditions, Covenants and Restrictions affecting the Property shall not be considered a lien or encumbrance), assessments, and other monetary obligations affecting the Property at or prior to Closing. If the Seller is not willing or able to remove the Title Objection(s), Buyer may: (i) terminate this Agreement; (ii) elect to acquire the Property subject to such Title Objection(s); or (iii) proceed to Closing with a reduction in the Purchase Price satisfactory to Seller for any Title Objections uncured by Seller in which case such Title Objection(s) and all remaining exceptions set forth in the Preliminary Title Report and not removed or agreed to be removed pursuant to this Section 7.1 shall be "Permitted Exceptions." If Buyer terminates this Agreement as permitted by this Section 7.1, the Seller shall promptly return to Buyer all Earnest Money paid (if any) to Buyer.

All new exceptions appearing on any subsequent title reports shall be considered unacceptable, unless accepted in writing by Buyer within ten (10) business days of Buyer's receipt of the subsequent report including such new exceptions. 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.

- 7.2 **Title.** On the Closing Date, Seller shall convey by statutory warranty deed or statutory warranty deeds substantially in the form attached hereto as Exhibit E (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 Seller'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.

## 8. **Conditions Precedent to Seller's and Buyer's Performance**

- 8.1 **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.

8.1.1 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; and

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

- 8.2 **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.

8.2.1 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;

8.2.2 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;

8.2.3 Buyer being satisfied with the environmental condition of the Property, and, to the extent that environmental cleanup is deemed necessary, in Buyer's sole discretion, the Parties shall have negotiated a reduction in the Purchase Price to cover the costs associated with such environmental cleanup;

8.2.4 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;

8.2.5 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;

8.2.6 Buyer receiving, at Closing, the Title Policy insuring good, clear, marketable and fee simple title to the Property subject only to the Permitted Exceptions;

8.2.7 PDC's Board of Commissioners (the "PDC Board") has authorized the transaction contemplated by this Agreement; and

8.2.8 Buyer shall have agreed to the final form of the Deed or Deeds;

**8.3 Elections upon Non-Satisfaction of Conditions.** If any condition in this Section 8 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 five days after the date of Closing, to:

8.3.1 Terminate this Agreement by and effective upon written notice to the other Party;

8.3.2 Waive in writing the benefit of that condition precedent to Closing and proceed in accordance with the terms hereof; or

8.3.3 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.

## 9. Closing.

- 9.1 **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.
- 9.2 **Closing Date.** The closing date shall occur on or before March 31, 2011 (the "Closing Date" or "Closing") unless otherwise agreed to in writing by the Parties.
- 9.3 **Documents to Be Deposited Into Escrow by Seller.** On or before the Closing Date, Seller shall deposit into Escrow all of the following:
- 9.3.1 A duly executed and acknowledged Deed or Deeds;
- 9.3.2 An original certificate of non-foreign person duly executed by each of the Sellers and notarized.
- 9.3.3 A Bill of Sale for the Personal Property, duly executed by Seller in the form attached hereto as Exhibit F.
- 9.3.4 Assignment and Assumption of Leases, duly executed by Seller in the form attached hereto as Exhibit G.
- 9.3.5 Tenant Notification Letters, duly executed by Seller in the form attached hereto as Exhibit H.
- 9.3.6 The originals or, to the extent originals are unavailable, certified copies of each of the Leases and Contracts.
- 9.3.7 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.
- 9.3.8 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.
- 9.3.9 Such documents as the Escrow Agent may require in order to establish the authority of each of the Sellers to complete the sale of the Property as contemplated by this Agreement.

9.4 **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:

9.4.1 Assignment and Assumption of Leases, duly executed by Buyer in the form attached hereto as Exhibit G.

9.4.2 Such documents as the Escrow Agent may require in order to complete the sale of the Property as contemplated by this Agreement.

9.5 **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.

10. **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.

11. **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: 8411 N. Denver, L.L.C.  
8419 N. Denver, LLC  
2221 N. Argyle, L.L.C.  
2399 N. Argyle, L.L.C.  
2024 N. Argyle Street  
Portland, Oregon 97217  
Attn: Victor Nelson

With Copy: Richard A. Uffelman  
Buckley LeChevallier P.C.  
Three Centerpointe Drive, Suite 250  
Lake Oswego, Oregon 97035  
Facsimile: (503) 620-4878  
Email: rau@buckley-law.com

To Buyer: Portland Development Commission  
Carol Herzberg, Project Manager  
222 NW Fifth Avenue  
Portland, Oregon 97209-3859

With Copy: Portland Development Commission  
Office of the General Counsel  
222 NW Fifth Avenue  
Portland, Oregon 97209-3859

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

12. **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.
13. **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.
14. **Default, Termination and Remedies**
  - 14.1 **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) the refund of the Escrow Deposit; (ii) seek damages for Seller's breach and/or (iii) 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 8.2 have not been satisfied or waived, Buyer may elect to terminate this Agreement in which event Buyer shall be entitled to the refund of the Escrow Deposit and this Agreement shall be null and void without further recourse to either Party hereto.
  - 14.2 **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 Thirty Thousand Dollars (\$30,000.00), which amount is the Escrow Deposit. 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.

15. **Miscellaneous.**

- 15.1 **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.
- 15.2 **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.
- 15.3 **Attorneys' Fees.** In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation any proceeding in the state or federal courts, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing Party shall be entitled to recover from the losing Party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.
- 15.4 **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.
- 15.5 **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.
- 15.6 **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.

- 15.7 **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.
- 15.8 **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.
- 15.9 **Amendments and Modifications.** Any modifications to this Agreement shall be made in writing and executed by the Parties.
- 15.10 **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.
- 15.11 **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.
- 15.12 **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.
- 15.13 **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the state of Oregon.
- 15.14 **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.

(Signatures appear on the following page)

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:**

8411 N. Denver, L.L.C.

8419 N. Denver, LLC



By: Nelson Investment Company, L.L.C.

Its: Member \_\_\_\_\_

By: Lynda E. McDermott

Its: Manager

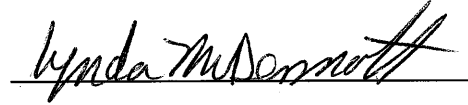
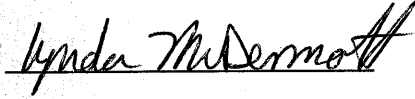


By: Lynda E. McDermott

Its: Manager

2221 N. Argyle, L.L.C.

2399 N. Argyle, L.L.C.



By: Nelson Investment Company, L.L.C.

By: Nelson Investment Company, LLC

Its: Member

Its: Member

By: Lynda E. McDermott

By: Lynda E. McDermott

Its: Manager

Its: Manager

**EXHIBIT A**

Legal Description

Property Address: **8419 North Denver Avenue, Portland, OR 97217**

Real property in the County of Multnomah, State of Oregon, described as follows:

LOTS 16, 17, 18 AND 19, BLOCK 6, KENTON ADDITION (PLAT BOOK 414, PAGE 0049)  
IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH, STATE OF OREGON.

Property Address: **8411 North Denver Avenue, Portland, OR 97217**

Real property in the County of Multnomah, State of Oregon, described as follows:

LOTS 7 THROUGH 15 (PLAT BOOK 414, PAGE 0049), INCLUSIVE, AND LOTS 20  
THROUGH 27, INCLUSIVE, BLOCK 6, KENTON, IN THE CITY OF PORTLAND,  
COUNTY OF MULTNOMAH AND STATE OF OREGON.

Property Address: **2221 North Argyle Street, Portland, OR 97217**

Real property in the County of Multnomah, State of Oregon, described as follows:

A PARCEL OF PROPERTY SITUATED IN LOTS 1-12, 29, 30, AND 32-36, BLOCK 1 AND  
LOT 1 AND 19, BLOCK 2 OF NATIONAL ADDITION, RECORDED IN BOOK 559 AT  
PAGE 3, MULTNOMAH COUNTY PLAT RECORDS, IN THE NORTHEAST QUARTER OF  
SECTION 9, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN  
IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, BEING DESCRIBED  
AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF N.  
BRANDON AVENUE, SAID POINT BEING 30.00 FEET WEST OF, WHEN MEASURED  
AT RIGHT ANGLES TO, THE CENTERLINE OF SAID N. BRANDON AVENUE WITH  
THE NORTH RIGHT-OF-WAY LINE OF N. ARGYLE WAY, SAID POINT BEING 30.00  
FEET NORTH OF, WHEN MEASURED AT RIGHT ANGLES TO, THE CENTERLINE OF  
SAID N. ARGYLE WAY;

THENCE NORTH 00° 04' 00" WEST ALONG THE WEST RIGHT-OF-WAY LINE OF SAID  
N. BRANDON AVENUE A DISTANCE OF 284.59 FEET TO THE NORTH LINE OF LOT 1,  
BLOCK 2, NATIONAL ADDITION;

THENCE SOUTH 89° 56' 00" WEST ALONG THE NORTH LINE OF SAID LOT 1 AND ITS WESTERLY EXTENSION OF DISTANCE OF 125.85 FEET;

THENCE SOUTH 43° 52' 33" WEST A DISTANCE OF 256.72 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF N. ARGYLE WAY, SAID POINT BEING 30.00 FEET NORTHERLY OF, WHEN MEASURED AT RIGHT ANGLE TO, THE CENTERLINE OF SAID N. ARGYLE WAY AND ON A 606.62 FOOT RADIUS CURVE TO THE LEFT HAVING A TANGENT BEARING OF SOUTH 56° 36' 42" EAST INTO SAID CURVE AT THIS POINT;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND AROUND SAID 606.62 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 30° 34' 50" (THE LONG CHORD OF WHICH BEARS SOUTH 71° 54' 07" EAST A DISTANCE OF 319.94 FEET) A DISTANCE OF 323.77 FEET TO THE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

Property Address: **2221 North Argyle Street #WI, Portland, OR 97217**

Real property in the County of Multnomah, State of Oregon, described as follows:

A PARCEL OF PROPERTY SITUATED IN LOTS 12-17, 28, 29, BLOCK 1 AND LOTS 2, 3, AND 16-19, BLOCK 2 OF NATIONAL ADDITION (PLAT BOOK 559, PAGE 0003), IN THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE WILLAMETTE MERIDIAN IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF N. BRANDON AVENUE, SAID POINT BEING 30.00 FEET WEST OF, WHEN MEASURED AND RIGHT ANGLES TO, THE CENTERLINE OF SAID N. BRANDON AVENUE WITH THE NORTH RIGHT-OF-WAY LINE OF N. ARGYLE WAY, SAID POINT BEING 30.00 FEET NORTH OF, WHEN MEASURED AT RIGHT ANGLES TO, THE CENTERLINE OF SAID N. ARGYLE WAY;

THENCE NORTH 00° 04' 00" WEST ALONG THE WEST RIGHT-OF-WAY LINE OF SAID N. BRANDON AVENUE A DISTANCE OF 284.59 FEET TO THE NORTH LINE OF LOT 1, BLOCK 2, NATIONAL ADDITION AND THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 56' 00" WEST ALONG THE NORTH LINE OF SAID LOT 1 AND ITS WESTERLY EXTENSION A DISTANCE OF 125.85 FEET;

THENCE SOUTH 43° 52' 33" WEST A DISTANCE OF 256.72 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF N. ARGYLE WAY, SAID POINT BEING 30.00 FEET NORTHERLY OF, WHEN MEASURED AT RIGHT ANGLE TO, THE CENTERLINE

OF SAID N. ARGYLE WAY AND ON A 606.62 FOOT RADIUS CURVE TO THE RIGHT HAVING A TANGENT BEARING OF NORTH 56° 36' 42" WEST INTO SAID CURVE AT THIS POINT;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND AROUND SAID 606.62 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 10° 31' 39" (THE LONG CHORD OF WHICH BEARS NORTH 51° 20' 52" WEST A DISTANCE OF 111.30 FEET) A DISTANCE OF 111.46 FEET TO THE SOUTHEASTERLY LINE OF LOT 27, BLOCK 1, NATIONAL ADDITION;

THENCE NORTH 65° 07' 08" EAST ALONG THE SOUTHEASTERLY LINE OF SAID LOT 27 A DISTANCE OF 109.24 FEET TO A POINT ON THE NORTHEASTERLY LINE THEREOF;

THENCE NORTH 30° 00' 00" WEST ALONG THE NORTHEASTERLY LINE OF SAID LOT 27 AND ITS NORTHERLY EXTENSION A DISTANCE OF 101.77 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF THAT TRACT CONVEYED TO THE CITY OF PORTLAND IN BOOK 642 AT PAGE 1342, RECORDED SEPTEMBER 30, 1968, MULTNOMAH COUNTY DEED RECORDS;

THENCE NORTH 65° 36' 31" EAST ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 35.72 FEET TO A POINT ON A 25.00 FOOT RADIUS CURVE TO THE RIGHT;

THENCE ALONG SAID RIGHT-OF-WAY LINE AND AROUND SAID 25.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 70° 31' 11" (THE LONG CHORD OF WHICH BEARS SOUTH 79° 07' 53" EAST A DISTANCE OF 28.86 FEET) A DISTANCE OF 30.77 FEET TO A POINT ON A 50.00 FOOT RADIUS CURVE TO THE LEFT;

THENCE ALONG SAID RIGHT-OF-WAY LINE AND AROUND SAID 50.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 160° 30' 25" (THE LONG CHORD OF WHICH BEARS NORTH 55° 52' 30" EAST A DISTANCE OF 98.56 FEET) A DISTANCE OF 140.07 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF N. HAMPTON AVENUE (NOW VACATED) AND A 578.93 FOOT RADIUS CURVE TO THE RIGHT HAVING A TANGENT BEARING OF NORTH 24° 23' 27" WEST INTO SAID CURVE AT THIS POINT;

THENCE ALONG SAID RIGHT-OF-WAY LINE AND AROUND SAID 578.93 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 00° 35' 27" (THE LONG CHORD OF WHICH BEARS NORTH 24° 05' 44" WEST A DISTANCE OF 5.97 FEET) A DISTANCE OF 5.97 FEET TO A POINT ON A 159.15 FOOT RADIUS CURVE TO THE LEFT;

THENCE ALONG SAID RIGHT-OF-WAY LINE AND AROUND SAID 159.15 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 14° 24' 14" (THE



LONG CHORD OF WHICH BEARS NORTH 31° 00' 07" WEST A DISTANCE OF 39.90 FEET) A DISTANCE OF 40.01 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 16, BLOCK 2, NATIONAL ADDITION;

THENCE NORTH 72° 15' 30" EAST ALONG THE NORTHERLY LINE OF SAID LOT 16 A DISTANCE OF 47.95 FEET TO ANGLE POINT THEREON;

THENCE SOUTH 72° 30' 00" EAST ALONG THE NORTHERLY LINE OF SAID LOT 16 A DISTANCE OF 80.94 FEET TO THE EAST LINE THEREOF;

THENCE SOUTH 00° 04' 00" EAST ALONG THE EAST LINE OF SAID LOT 16 AND ITS SOUTHERLY EXTENSION A DISTANCE OF 63.09 FEET TO A POINT ON THE NORTH LINE OF LOT 3, BLOCK 2, NATIONAL ADDITION:

THENCE NORTH 89° 56' 00" EAST ALONG THE NORTH LINE OF SAID LOT 3 A DISTANCE OF 100.00 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF THE AFORESAID N. BRANDON AVENUE;

THENCE SOUTH 00° 04' 00" EAST ALONG THE WEST RIGHT-OF-WAY LINE OF SAID N. BRANDON AVENUE A DISTANCE OF 49.97 FEET TO THE TRUE POINT OF BEGINNING.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

**EXHIBIT B**

**Personal Property as described in Summary Appraisal Report of Specified Property  
Prepared for Nelson Investment Co. LLC by Paniolo Solutions LLC as of September 2,  
2009**

<b>Item No.:</b>	<b>Location:</b>	<b>Description:</b>
<b>21534*</b>	<b>Argyle Bay 2</b>	<b>Top Running Steel 20 Ton Bridge Crane</b>
<b>21530*</b>	<b>Argyle Bay 1</b>	<b>Top Running Steel 10 Ton Bridge Crane</b>
<b>21531*</b>	<b>Argyle Bay 1</b>	<b>Top Running Steel 10 Ton Bridge Crane</b>
<b>21533*</b>	<b>Argyle Bay 2</b>	<b>Top Running Steel 10 Ton Bridge Crane</b>
<b>21539*</b>	<b>Argyle Bay 3</b>	<b>Top Running Steel 10 Ton Bridge Crane</b>
<b>21538*</b>	<b>Argyle Bay 3</b>	<b>Top Running Steel 5 Ton Bridge Crane</b>
<b>21537*</b>	<b>Argyle Bay 3</b>	<b>Top Running Steel 3 Ton Bridge Crane</b>
<b>21543*</b>	<b>Argyle Bay 3</b>	<b>1200 Amp 3 Phase Plant Power</b>
<b>21547*</b>	<b>Argyle Bay 3</b>	<b>Cyclone Dust Collector</b>
<b>21548*</b>	<b>Argyle Bay 3</b>	<b>Steel Storage Mezzanine</b>
<b>21532*</b>	<b>Argyle Bay 1</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21536*</b>	<b>Argyle Bay 2</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21535*</b>	<b>Argyle Bay 2</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21544*</b>	<b>Argyle Bay 3</b>	<b>Air Conditioner 4 Ton Type</b>
<b>21540*</b>	<b>Argyle Bay 3</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21541*</b>	<b>Argyle Bay 3</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21542*</b>	<b>Argyle Bay 3</b>	<b>Column Supported 1 Ton Jib Crane</b>
<b>21545**</b>	<b>Argyle Bay 1</b>	<b>Ingersol Rand Vertical Rotary Air Compressor</b>
<b>21546**</b>	<b>Argyle Bay 3</b>	<b>Ingersol Rand Vertical Rotary Air Compressor</b>
<b>21546**</b>	<b>Argyle Bay 3</b>	<b>Pneomatch Air Dryer AD100</b>
<b>21014*</b>	<b>Denver Bay 3</b>	<b>Top Running Wood 7.5 Ton Bridge Crane</b>
<b>21001*</b>	<b>Denver Bay 1</b>	<b>Top Running Wood 2 Ton Bridge Crane</b>
<b>21007*</b>	<b>Denver Bay 2a</b>	<b>Top Running Wood 3 Ton Bridge Crane</b>
<b>21008*</b>	<b>Denver Bay 2a</b>	<b>Top Running Wood 3 Ton Bridge Crane</b>
<b>21035*</b>	<b>Denver Bay 7</b>	<b>1200 Amp 3 Phase Power Plant</b>
<b>21015*</b>	<b>Denver Bay 3</b>	<b>Top Running Wood 2 Ton Bridge Crane</b>
<b>21018*</b>	<b>Denver Bay 4</b>	<b>Top Running Steel 2 Ton Bridge Crane</b>
<b>21019*</b>	<b>Denver Bay 4</b>	<b>Top Running Steel 2 Ton Bridge Crane</b>
<b>21024*</b>	<b>Denver Bay 5</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21025*</b>	<b>Denver Bay 5</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21030*</b>	<b>Denver Bay 7a</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21029*</b>	<b>Denver Bay 7a</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21032*</b>	<b>Denver Bay 7b</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21033*</b>	<b>Denver Bay 7b</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21005*</b>	<b>Denver Bay 1</b>	<b>220v/110v Clean Power Isolated Ground System</b>
<b>21034*</b>	<b>Denver Bay 7</b>	<b>Sargent &amp; Greenleaf Vault Door</b>
<b>21028*</b>	<b>Denver Bay 6</b>	<b>Custom Built Air Removal Filter System</b>
<b>21027*</b>	<b>Denver Bay 6</b>	<b>Underhung Steel 2 Ton Bridge Crane</b>
<b>21038*</b>	<b>Denver Bay 7</b>	<b>Air Conditioner 4 Ton Type</b>

<u>Item No.:</u>	<u>Location:</u>	<u>Description:</u>
<u>21036*</u>	<u>Denver Bay 7</u>	<u>Trane Air Conditioner 4 Ton Type</u>
<u>21037*</u>	<u>Denver Bay 7</u>	<u>Trane Air Conditioner 4 Ton Type</u>
<u>21003*</u>	<u>Denver Bay 1</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21004*</u>	<u>Denver Bay 1</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21010*</u>	<u>Denver Bay 2a</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21011*</u>	<u>Denver Bay 2b</u>	<u>Column Supported ¼ Ton Jib Crane</u>
<u>21016*</u>	<u>Denver Bay 3</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21017*</u>	<u>Denver Bay 3</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21031*</u>	<u>Denver Bay 7</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21002*</u>	<u>Denver Bay 1</u>	<u>Floor/Ceiling Supported ¼ Ton Jib Crane</u>
<u>21009*</u>	<u>Denver Bay 2a</u>	<u>Floor/Column Supported ¼ Ton Jib Crane</u>
<u>21012*</u>	<u>Denver Bay 2b</u>	<u>Floor/Ceiling Supported ¼ Ton Jib Crane</u>
<u>21013*</u>	<u>Denver Bay 2b</u>	<u>Column Supported 100 lb Jib Crane</u>
<u>21020*</u>	<u>Denver Bay 4</u>	<u>Floor/Ceiling Supported ¼ Jib Crane</u>
<u>21026*</u>	<u>Denver Bay 5</u>	<u>200k BTU Natural Gas Heater Ceiling Mount Vent</u>
<u>21021**</u>	<u>Denver Bay 4</u>	<u>Quincy NW Horizontal Air Compressor</u>
<u>21006**</u>	<u>Denver Bay 1</u>	<u>Two Tier Settler Lockers with Pull-Up Handles</u>
<u>21023**</u>	<u>Denver Bay 4</u>	<u>Pneumatch Air Dryer AD100</u>

\* These items are considered "fixtures" pursuant to Schedule E of the Summary Appraisal Report dated September 2, 2009 and prepared by Paniolo Solutions, LLC.

\*\* These items are considered "personal property" pursuant to Schedule F of the Summary Appraisal Report dated September 2, 2009 and prepared by Paniolo Solutions, LLC.

Schedule 5.1.6

Leases.

<u>Lessor:</u>	<u>Lessee:</u>	<u>Lease Termination Date:</u>	<u>Location:</u>
2221 N. Argyle LLC	Spar-Tek Industries	November 30, 2011	2221 N. Argyle St.
8411 N. Denver LLC	Spar-Tek Industries	Month to Month	8411 N. Denver Ave.
8411 N. Denver LLC	CMI, Inc.	Month to Month	8411 N. Denver Ave.
8411 N. Denver LLC	David Fredrickson	Month to Month	8411 N. Denver Ave.
8411 N. Denver LLC	Nexion DG	Month to Month	8411 N. Denver Ave.
2399 N Argyle, LLC	Vanport Marine	October 31, 2011	2399 N. Argyle St.

Schedule 5.1.7

None.

Schedule 5.1.10

Noncompliance with laws, rules, ordinances or regulations pertaining to the Property

1. All properties are located within the Kenton Plan District Overlay (Portland Code Chapter 33.538). The Overlay was applied long after the properties were developed by the Seller. 8411 N. Denver Avenue and 8419 N. Denver Avenue are currently zoned CS / Commercial Storefront. 2221 N. Argyle and 2399 N. Argyle are zone R1 / Medium Density Residential. As the current industrial uses existed prior to the application of the Kenton Plan District Overlay and the existing zoning designations, Seller believes that the existing uses are allowed, or should be authorized, as permitted non-conforming uses.

Schedule 5.1.13

List of Environmental Reports

1. Seller has no current reports regarding the environmental condition of the Property. However, Seller makes the following environmental disclosures and attached the listed documents regarding the environmental condition of the Property:

8411 Denver and 2221 N. Argyle have been used primarily as machine shops since acquisition by Seller and Seller's related predecessors in interest. Seller believes that the industrial uses on the properties are rated as "conditionally exempt" generators of waste, which means that the uses do not generate more than 220 pounds of hazardous waste annually and no more than 2.2 pounds of acutely hazardous waste in any calendar month. Waste generated on these properties include: hydraulic oil, lubricating oil, and cutting oil. These oils were properly used and stored on-site, but were disposed of off site. A complaint was filed in 2001 against the tenant of the property, Converting Machines, Inc. A letter from the Oregon Department of Environmental Quality dated August 27, 2001, along with supporting documentation, is attached. The August 27, 2001 provides that the complaint was resolved to the Department of Environmental Quality's satisfaction.

8419 N. Denver was used as a gas and service station (exact dates of operation are unknown to Seller). Underground storage tanks were located on the property, but were decommissioned and removed in August 1999. Additional soil around the location of the underground storage tanks was cleaned and removed in 2001 when the MAX light rail lines were added. A "No Further Action" letter from the Oregon Department of Environmental Quality dated May 16, 2002, regarding the clean up of this property is attached.

**EXHIBIT C**

Form of Permit of Entry

**PERMIT OF ENTRY**

THIS PERMIT OF ENTRY ("Permit") is effective as of \_\_\_\_\_, 201\_ (the "Effective Date") between 8411 N. Denver, L.L.C., an Oregon limited liability company; 8419 N. Denver, LLC, an Oregon limited liability company; 2221 N. Argyle, L.L.C., an Oregon limited liability company; and 2399 N. Argyle, L.L.C., an Oregon limited liability company (collectively, "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 \_\_\_\_\_ with the following physical street addresses and legal property descriptions:

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 \_\_\_\_\_. 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.

**AGREEMENT**

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

1. **Grant of Permit.** Permittee and its agents shall have the right to enter upon the Property at reasonable times to conduct \_\_\_\_\_ ("Permitted Use"). Permittee and its agents shall provide Grantor at least 48 hours' advance written notice of Permittee's or Permittee's agents' intent to enter upon the Property. 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 one hundred and twenty (120) 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	8411 N. Denver, L.L.C.
Real Estate Section	8419 N. Denver, L.L.C.
Portland Development Commission	2221 N. Argyle, L.L.C
222 NW Fifth Avenue	2399 N. Argyle, L.L.C.
Portland, OR 97209	2024 N. Argyle Street

	Portland, OR 97217 Attn: Victor Nelson
Tel: 503-823-3200 Fax: 503-823-3369	Tel: 503-289-8203 Fax: 503-289-2483 With a copy to: Richard A. Uffelman Buckley LeChevallier P.C. Three Centerpointe Drive, Suite 250 Lake Oswego, OR 97035 Tel: (503) 620-8900 Fax: (503) 620-4878

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

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

GRANTOR

\_\_\_\_\_

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

## EXHIBIT D

### 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:

10. **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.
11. **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.
12. **Lease Terms.** The expiration date of the Lease is (INSERT LEASE EXPIRATION DATE).
13. **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.
14. **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:
  - 14.1 Landlord has performed all of Landlord's obligations under the Lease and is not in default or violation of the Lease; and
  - 14.2 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.
15. **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.

16. **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.
17. **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.
18. **No Waiver.** Landlord has not waived any right or remedy available to Landlord under the Lease.
19. **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.
20. **Rent Amount.** The current Base Rent for (INSERT SUITE NUMBER, IS \$ PER MONTH THROUGH LEASE EXPIRATION DATE)
21. **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).
22. **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.
23. **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.
24. **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.
25. **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.

26. **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:

26.1 Tenant discovers that any certification made by tenant in this Certificate was inaccurate in any respect as of the date of this Certificate; or

26.2 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.

27. **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.

28. **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 E**

Form of Deed

After recording return to:  
The Portland Development Commission  
222 NW Fifth Avenue  
Portland, OR 97209  
Attention: General Counsel

**STATUTORY WARRANTY DEED**

\_\_\_\_\_ (“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 (collectively, the “Real Property”), subject to all encumbrances of record:

[INSERT LEGAL DESCRIPTION]

The true and actual consideration for this conveyance is THREE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND AND NO /100 DOLLARS (\$3,825,000.00).

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. 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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

DATED: \_\_\_\_\_, 2010.

By:

\_\_\_\_\_

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on \_\_\_\_\_, 2010 by

\_\_\_\_\_, as \_\_\_\_\_ of

\_\_\_\_\_.

\_\_\_\_\_  
Notary Public – State of Oregon



**EXHIBIT F**

**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 (as that term is defined in the Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_\_\_, between Seller and Buyer), 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 G

### 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:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Lisa Gramp  
Assistant General Counsel

SCHEDULE  
TO  
ASSIGNMENT AND ASSUMPTION OF LEASES

[Identification of Leases]

Leases:

<u>Lessor:</u>	<u>Lessee:</u>	<u>Lease Termination Date:</u>	<u>Location:</u>
<u>2221 N. Argyle LLC</u>	<u>Spar-Tek Industries</u>	<u>November 30, 2011</u>	<u>2221 N. Argyle St.</u>
<u>8411 N. Denver LLC</u>	<u>Spar-Tek Industries</u>	<u>Month to Month</u>	<u>8411 N. Denver Ave.</u>
<u>8411 N. Denver LLC</u>	<u>CMI, Inc.</u>	<u>Month to Month</u>	<u>8411 N. Denver Ave.</u>
<u>8411 N. Denver LLC</u>	<u>David Fredrickson</u>	<u>Month to Month</u>	<u>8411 N. Denver Ave.</u>
<u>8411 N. Denver LLC</u>	<u>Nexion DG</u>	<u>Month to Month</u>	<u>8411 N. Denver Ave.</u>
<u>2399 N Argyle, LLC</u>	<u>Vanport Marine</u>	<u>October 31, 2011</u>	<u>2399 N. Argyle St.</u>

**EXHIBIT H**

**NOTICE LETTER TO TENANTS**

\_\_\_\_\_, 2011

RE: Notice of Change of Ownership of [Property]

Ladies and Gentlemen:

You are hereby notified as follows:

1. That as of the date hereof, 8419 N. Denver Avenue, LLC [8411 N. Denver Avenue, LLC; 2221 N. Argyle Street, LLC; 2399 N. Argyle Street, 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 5<sup>th</sup> 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