

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7042

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.31 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO THE FAIR-HAIRED DUMBBELL, LLC, FOR \$1,160,000

WHEREAS, the Portland Development Commission (“PDC”) is undertaking the Central Eastside Urban Renewal Plan, adopted August 27, 1986, and subsequently amended;

WHEREAS, PDC is the owner of a 0.31 acre parcel, known as Burnside Bridgehead Block 76E, which is bounded by East Burnside Street, NE Martin Luther King, Jr. Boulevard, and NE Couch Street (the “Property”);

WHEREAS, PDC acquired the Property, along with Blocks 68, 76W, and portions of Blocks 69 and 75 (the “Burnside Bridgehead Property”), to implement a multi-block mixed-use development;

WHEREAS, the City of Portland’s *Economic Development Strategy, a Five-Year Plan for Promoting Job Creation and Economic Growth*, identifies the Burnside Bridgehead Property as a key catalytic site within the Central City and calls for the creation of a significant mixed-use gateway development at this location;

WHEREAS, the Burnside Bridgehead Framework Plan, adopted by the PDC Board of Commissioners (“Board”) on May 26, 2010, by Resolution No. 6800, established a strategic approach for the redevelopment of the Burnside Bridgehead Property;

WHEREAS, PDC issued a Request for Interest (“RFI”) on July 15, 2010, seeking offers from qualified development teams to purchase and redevelop portions of the Burnside Bridgehead Property, including the Property; a total of 10 statements of interest were submitted in response to the RFI;

WHEREAS, PDC and Guerrilla Development entered into a Memorandum of Understanding on June 17, 2013, which set forth the mutual understandings and intentions to complete a series of due diligence scope items while negotiating the terms of a binding Agreement for Purchase and Sale of Property and Right of Repurchase (“PSA”);

WHEREAS, Kevin Cavanaugh, the principal of Guerrilla Development, subsequently established The Fair-Haired Dumbbell, LLC (“Developer”), for the purpose of carrying out this transaction; and

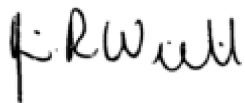
WHEREAS, PDC and Developer have negotiated a PSA substantially in the form attached hereto as Exhibit A to convey the Property to Developer for a purchase price of ONE MILLION ONE HUNDRED AND SIXTY THOUSAND DOLLARS (\$1,160,000).

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board authorizes the Executive Director to execute the PSA, in substantially the form attached as Exhibit A;

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

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

Adopted by Portland Development Commission on April 16, 2014



Gina Wiedrick, Recording Secretary

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7042

EXHIBIT A

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.31 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO THE FAIR-HAIRED DUMBBELL, LLC, FOR \$1,160,000

Exhibit A includes this cover page and contains 42 pages:

- Agreement for Purchase and Sale of Property and Right of Repurchase in the Central Eastside Urban Renewal Area
 - Exhibit A: Definitions
 - Exhibit B: B-1 Legal Description
 - Exhibit B: B-2 Depiction of Property
 - Exhibit C: Form of Permit of Entry
 - Exhibit D: Form of Bargain and Sale Deed
 - Exhibit E: Vacation Description
 - Exhibit F: Form of Memorandum of Agreement

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

AND

RIGHT OF REPURCHASE

IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA

between

THE PORTLAND DEVELOPMENT COMMISSION

and

THE FAIR-HAIRED DUMBBELL LLC

Dated: _____

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY AND RIGHT OF REPURCHASE

This AGREEMENT FOR PURCHASE AND SALE OF PROPERTY (this “Agreement”) is made and entered as of March ____ 2014, ____ (the “Effective Date”), by and 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 (“PDC”), and THE FAIR-HAIRED DUMBELL, LLC (“Buyer”). PDC and Buyer 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 acquired Blocks 67, 68, and 76, and portions of Blocks 69 and 75 (collectively, the “Burnside Bridgehead Site”) in the Central Eastside Urban Renewal Area (“URA”) to further the *Eastbank at Burnside: Lower East Burnside Redevelopment Plan* (“*Redevelopment Plan*”).
- B. Buyer has proposed to develop a portion of the Burnside Bridgehead Site located on the southeast corner of the Burnside Bridgehead Site commonly known as Block 76E and as more particularly described in Section 2.2 herein and Exhibit B-2 attached hereto and incorporated herein (the “Property”).
- C. Buyer’s intended development of the Property is two, connected, six-story office buildings (the “Project”).
- D. Buyer intends to use an on-line crowdfsource mechanisim to raise capital for the purchase (“Fundrise”).
- E. PDC desires to see the Property developed in accord with the Buyer’s intentions but shall reserve a right to repurchase the Property in the event Buyer has not commenced construction of the Project within three (3) years of the Effective Date of this Agreement.
- F. PDC desires to sell the Property to Buyer and Buyer desires to buy the Property from PDC in accord with the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINED TERMS

Words that are capitalized, in parenthesis and quotations and which are not the first word of a sentence, are defined terms; *provided, however*, that once a term is defined it may be used as the

first word of a sentence. Some defined terms are first defined in the text of this Agreement and some are first defined in Exhibit A. Defined terms may be used in the singular or the plural.

2. GENERAL TERMS OF CONVEYANCE FOR THE PROPERTY

2.1. Agreement for Purchase and Sale. PDC agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase and accept the Property from PDC, and Buyer shall develop the Property upon the terms and conditions set forth in this Agreement.

2.2. Description of the Property. The Property which is subject to this Agreement shall include: (i) all rights, privileges, licenses, permits and easements appurtenant to the Property owned by PDC and transferrable by PDC, including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on and under the Property, as well as development rights, air rights, water rights related to the Property, and any other easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Property; and (ii) all improvements, including, without limitation all buildings and structures presently located on the Property;

2.3. Earnest Money Payment. Within five (5) Business Days of the Effective Date and subject to the terms of this Section 2.3, Buyer shall pay PDC an amount equal to \$58,000 (Fifty-Eight Thousand Dollars U.S.)(the “Earnest Money Payment”). The Earnest Money Payment shall be fully refundable to Buyer for 60 days after the Effective Date (the “Earnest Money Refund Period”). The Earnest Money Payment shall not be refundable once 60 days have elapsed from the Effective Date except as specifically allowed herein. In the event a refund of the Earnest Money Payment is due, there shall be no interest payment obligation on PDC’s part. The Earnest Money Payment shall be a credit against the Purchase Price due at closing.

Purchase Price. The purchase price for the Property is ONE MILLION ONE HUNDRED SIXTY THOUSAND DOLLARS, U.S. (\$1,160,000 U.S.) (the “Purchase Price”). The Purchase Price shall be adjusted as provided in section 8.3 below.

2.4. AS IS Sale Buyer acknowledges that it has examined the above-described 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 Grantors or any person acting on behalf of Grantors concerning any of the following: the size or area of the Property or any of the parcels of the Property; the location of corners or boundaries of any parcel of the Property; the condition of the Property, including but not limited to, environmental condition above or below the surface of the Property or compliance with environmental laws and other governmental requirements; the availability of services to the Property; the ability of Buyer to use the Property or any portion thereof for any intended purpose; or any other matter affecting or relating to the Property or any portion thereof. Buyer is acquiring the Property, both above surface and below surface, in the condition existing at the time of closing, AS IS, with all defects, if any. Buyer and Buyer’s successors waives, releases, agrees to defend and forever discharges Portland Development Commission, and its successor forms, 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 Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Property. These provisions shall be binding on Buyer and Buyer’s successors and assigns and shall survive Closing.

2.5. This “As Is” section shall survive closing and the deed from PDC to Buyer shall contain provisions to preserve the effect of this section with regard to Buyer’s successors.

2.6. Access, Inspection and Due Diligence Materials

2.6.1. Access and Inspection. PDC 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”).

2.6.2. Due Diligence Period. Buyer shall notify PDC, in writing, no later than sixty (60) days after the Effective Date (the “Due Diligence Period”) of the results of Buyer’s due diligence efforts. Within 5 Business Days of the Effective Date, PDC shall provide to Buyer all known Due Diligence materials that PDC deems relevant to Buyer’s Due Diligence effort. PDC does not warrant or guarantee that its Due Diligence material is accurate or complete. Minimally, Buyer shall, within the Due Diligence Period, make appropriate arrangements for the generation of a Phase I Environmental Site Assessment (ESA) and complete a Design Advice Request. In the event that Buyer’s due diligence shall reveal any matters which are not acceptable to Buyer in Buyer’s sole and absolute discretion, Buyer may elect, by written notice to PDC, on or before 5:00 p.m., before the expiration of the Due Diligence Period, its intent not to proceed with the transaction contemplated herein. Such a notice shall clearly include the phrase “Notice of Termination”. In the case of such notice this Agreement shall be voided without recourse to either Party except that the Earnest Money Payment shall be refunded to Buyer within ten (10) Business Days of such notice. The failure of Buyer to timely provide notice to PDC of Buyer’s satisfaction with due diligence prior to the expiration of the Due Diligence Period shall be deemed Buyer’s decision to terminate this Agreement.

2.6.3. Extension to Due Diligence Period. In the event that reasonable reliance on a third party (such as the Oregon Department of Environmental Quality) or the need for additional investigations such as a Phase II ESA causes delay in Buyer’s Due Diligence efforts despite Buyer’s attempts to complete Due Diligence within 60 days of the Effective Date then Buyer may seek an extension to the Due Diligence Period. Buyer shall, under such circumstances, provide notice to PDC of the need to extend the Due Diligence Period. The notice shall include, and an extension shall be conditioned upon, proof that the Phase I ESA and the scope of work for the Phase II ESA were completed within 60 days of the Effective Date. Upon PDC’s receipt of such notice the Due Diligence Period shall be extended to one hundred twenty (120) days from the Effective Date.

2.7. Title Review.

2.7.1. PDC shall seek from Escrow Agent and provide Buyer a report reflecting the title condition of the Property (the “Title Report”). Buyer will have until the expiration of the Due Diligence Period to notify PDC in writing if Buyer objects to any item in the Title Report. Those items to which Buyer does not object are “Permitted Exceptions”. If Buyer objects to any item, then PDC shall have twenty (20) days after receiving Buyer’s written objection to notify Buyer in writing of its intention to remove or not remove the objected-to exceptions to title prior to Closing (the “Seller

Response Period”). If PDC does not respond to Buyer’s objections within the Seller Response Period or if PDC refuses to remove any such objected to exceptions, Buyer shall have twenty (20) days following the expiration of the Seller Response Period to terminate this Agreement by written notice to PDC even if the Due Diligence Period has expired. If Buyer terminates this Agreement under this section 2.7.1, no remedies shall accrue to either Party and all rights and obligations of the Parties under this Agreement shall terminate other than the obligation to cooperate in preparing, executing and recording such documents as may be necessary or desirable to reflect the termination of this Agreement in the real property records of Multnomah County, and the Earnest Money Payment shall be refunded to Buyer within five (5) Business Days of such notice by Buyer. If this Agreement is not so terminated, the Permitted Exceptions shall also include those exceptions, if any, that Buyer originally objected to and that PDC refused to remove or failed to respond to.

2.7.2. Buyer may obtain one or more updates to the Title Report on the Property at any time prior to the Closing. Buyer shall promptly give to PDC a copy of any updated Title Report. Within twenty (20) days after receiving an updated Title Report, Buyer shall give PDC notice, in writing, of any objections to the exceptions (that are not Permitted Exceptions) to title that appear on the updated Title Report. Within twenty (20) days of Buyer’s written notice to PDC described in the preceding sentence, PDC shall notify Buyer in writing of its intention to remove or not remove the objected to exceptions to title prior to Closing. If PDC does not give its response to Buyer’s objections within the twenty (20) day time period or if PDC refuses to remove any such objected to exceptions, Buyer shall have twenty (20) days following expiration of the 20-day time period to terminate this Agreement by written notice to PDC. If Buyer terminates this Agreement under this section 2.7.2, no remedies shall accrue to either Party and all rights and obligations of the Parties under this Agreement shall terminate other than the obligation to cooperate in preparing, executing and recording such documents as may be necessary or desirable to reflect the termination of this Agreement in the real property records of Multnomah County, and the Earnest Money Payment shall be refunded to Buyer within five (5) Business Days of such notice by Buyer. If this Agreement is not so terminated, the exceptions that Buyer objected to and that PDC refused to remove or failed to respond to will be included as Final Permitted Exceptions. Any exceptions that Buyer accepts at Closing are the “Final Permitted Exceptions.”

2.7.3. Both PDC and Buyer anticipate a partial vacation of the Burnside right-of-way that may appear of record. The anticipated vacation will enlarge the size of the Property. If other new title matters appear on an updated Title Report the Buyer shall have the same objection privileges and notice obligations as reflected in section 2.7.2 above. PDC shall have the same response opportunities as reflected in the same section. If Buyer objects to a new title condition under this section and PDC cannot or refuses to remove the new title condition then Buyer may terminate this Agreement and PDC shall return the Earnest Money Payment. No other recourse against PDC shall be afforded Buyer under this section unless a new title condition makes applicable section 12.4 below in which case that section shall provide for an additional payment.

2.8. Title Insurance. PDC will pay the cost of a standard coverage Owner’s Policy of Title Insurance, issued by Escrow Agent, covering the Property when conveyed, and insuring Buyer in the amount of the Purchase Price, free and clear of encumbrances, except Final

Permitted Exceptions and those general preprinted exceptions imposed by the insurer. Buyer, at its option and its expense, may elect to obtain extended coverage under such policy of title insurance, and PDC agrees to execute any affidavits or other documents reasonably required by the Escrow Agent to enable Buyer to obtain such coverage.

3. REPRESENTATIONS

3.1. PDC Representations. PDC's representations under this Agreement are limited to the following. PDC hereby represents to Buyer as of the Effective Date and as of the Closing Date the following:

- 3.1.1.** PDC has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transaction contemplated herein; and all requisite action has been taken by PDC in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein.
- 3.1.2.** Except as has been disclosed to Buyer in the Environmental Due Diligence Reports, PDC has not generated, manufactured, refined, transported, treated, stored, handled, disposed, transferred, Released or produced Hazardous Substances on or under the Property.
- 3.1.3.** PDC is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.
- 3.1.4.** There is no known litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or to PDC's knowledge, threatened, which may negatively affect the Property, or PDC's ability to perform its obligations under this Agreement.
- 3.1.5.** PDC has no notice of a violation of any laws applicable to the Property.
- 3.1.6.** PDC is the legal and beneficial fee simple titleholder to the Property. There are no leases or service contracts that affect the Property that are not terminable at the Closing and there are no options to purchase the Property or rights of first refusal to purchase the Property.
- 3.1.7.** The persons executing this Agreement and the instruments referred to herein on behalf of PDC have the legal power, right and actual authority to bind PDC to the terms and conditions of this Agreement.

3.2. Buyer Representations. Buyer's representations under this Agreement are limited to the following. Buyer hereby represents to PDC as of the Effective Date and as of the Closing Date the following:

- 3.2.1.** Buyer is an Oregon limited liability corporation.
- 3.2.2.** Buyer has full power and authority to enter into and perform this Agreement in accordance with its terms and does not require the consent of any third party that has not been secured, and all requisite action (corporate, trust, partnership, membership or otherwise) has been taken by Buyer 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.

3.2.3. This Agreement and all documents required to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

3.2.4. No representation or statement of Buyer in this Agreement or any of the exhibits attached hereto contains any untrue statement of a material fact or omits a material fact necessary to make the representation or statement reliable.

3.2.5. The persons executing this Agreement and the instruments referred to herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions of this Agreement.

The Parties agree that all representations contained in this Section 3 shall survive the Closing for a period of twelve (12) months.

3.3. PDC Covenants. PDC hereby covenants that between the Effective Date and Closing, PDC shall take reasonable measures to: (i) ensure that the Property is maintained in a manner consistent with current practices; (ii) maintain reasonable and customary levels and coverages of insurance; (iii) not create or acquiesce in the creation of new liens or other exceptions to title other than the Permitted Exceptions and new exceptions anticipated under section 2.7 above; (iv) not lease, transfer, option, or convey PDCs interest in the Property or any portion thereof nor any right therein, nor shall PDC enter into or solicit any agreement granting to any person or entity any option to purchase or rights superior to Buyer with respect to the Property or any part thereof; (v) not voluntarily take any action to render any of the representations of PDC set forth in Section 3.1 materially incorrect; or (vi) enter into any maintenance, management or service agreement that will remain in force and effect after the Closing Date without Buyer's consent. Notwithstanding the foregoing clause (iv), PDC may lease, license or transfer its interest in the Property if (a) any such lease, license or transfer expires prior to the Closing Date, or (b) Buyer consents in writing, which consent shall not be unreasonably withheld, conditioned or delayed.

4. CONDITIONS PRECEDENT TO CLOSING

4.1. Conditions. Buyer and PDC are not obligated to proceed to Closing unless the following conditions are satisfied prior to Closing. The Party benefited by a particular condition shall not unreasonably withhold, condition, or delay acknowledgment that the condition has been satisfied. To the extent the failure of a condition to be satisfied occurs and such failure of the satisfaction of such condition constitutes a default under this Agreement, the non-defaulting party shall have all rights and remedies against the defaulting party that are available to such non-defaulting party under this Agreement.

4.1.1. To the reasonable satisfaction of both PDC and Buyer, which conditions must be waived in writing by both PDC and Buyer if not satisfied:

- (i) No litigation is pending that prevents PDC or Buyer from performing their respective obligations under this Agreement.

(ii) Vacation of the southern portion of the Property is reflected in an updated title report acceptable to both Parties. The Vacation shall be in general accord with Exhibit E attached hereto and incorporated herein (“Vacation”).

4.1.2. To Buyer’s reasonable satisfaction, which conditions may be waived in writing solely by Buyer if not satisfied:

(i) No material adverse change in the physical or legal condition of the Property has occurred.

(ii) Title Company is prepared to issue to Buyer the form of title insurance policy selected by Buyer under Section 2.8, covering the Property in an amount equal to the Purchase Price, subject only to the Final Permitted Exceptions.

(iii) PDC is not in default under this Agreement and no event has occurred that, with notice or passage of time or both notice and passage of time, would constitute a default of PDC under this Agreement.

4.1.3. To PDC’s reasonable satisfaction, which conditions may be waived in writing solely by PDC if not satisfied:

(i) Buyer has provided to PDC documentation that:

(a) Buyer is a legal entity qualified to do business in the state of Oregon;

(b) Buyer has full power and authority to enter into and perform its obligations under this Agreement; and

(c) This Agreement has been executed and delivered, for and on behalf of Buyer, by an authorized individual.

(ii) Buyer shall have entered into, or shall be prepared to enter into at Closing, a non-remonstrance agreement with respect to the anticipated local improvement districts (LIDs) on Davis Street and Couch Court; the Streetcar LID and any other LIDs contemplated for the Burnside Bridgehead Site.

(iii) Buyer is not in default under this Agreement and no event has occurred that, with notice or passage of time or both notice and passage of time, would constitute a default of Buyer under this Agreement.

(iv) Buyer shall have deposited to escrow the balance of the Purchase Price due to close after taking into account a credit for the Earnest Money Payment and, if applicable, the Closing Extension Payment.

4.2. Elections upon Non-Satisfaction of Conditions. If any condition in this Section 4 is not fulfilled to the satisfaction of the benefited Party or Parties as of the Closing Date, then such benefited Party or Parties may elect as follows:

- (a) Terminate this Agreement by and effective upon written notice to the other Party; or
- (b) Waive in writing the benefit of that condition and proceed in accordance with the terms hereof; or
- (c) Designate in writing a later date for the 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.

4.3. Effect of Termination for Non-Satisfaction of Conditions Precedent to Closing. If this Agreement terminates or is terminated for non-satisfaction of the conditions precedent to the Closing and neither Party is in default under this Agreement, then all rights and obligations of the Parties under this Agreement shall terminate upon termination of this Agreement. If this Agreement terminates or is terminated for failure of fulfillment of the conditions precedent to the Closing and Buyer is in default and said termination occurs more than 60 days from the Effective Date, PDC shall not be obligated to refund the Earnest Money Payment. If this Agreement terminates or is terminated for failure of fulfillment of the conditions precedent to the Closing and PDC is in default then Buyer's sole remedy shall be the refund of the Earnest Money Payment. PDC shall not be subject to any other remedies, except as provided under section 12.4 below. If a Party is in default under this Agreement on the date this Agreement terminates or is terminated for non-satisfaction of the conditions precedent to Closing, then the rights and remedies accruing to the other Party under this Agreement as a result of such default shall survive termination of this Agreement.

5. CLOSING

5.1. Manner of Closing.

- 5.1.1.** The Closing of the purchase and sale of the Property will occur in an escrow to be administered by the Escrow Agent.
- 5.1.2.** The Parties agree to provide the Escrow Agent with escrow instructions (the "Escrow Instructions") consistent with the terms of this Agreement.
- 5.1.3.** On the Closing Date, the Escrow Agent shall deliver or cause to be delivered the sums and documents pursuant to 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.

5.2. Closing Date. The closing shall occur on or before a date that is thirty (30) days after the date that PDC provides Buyer notice that an updated Title Report confirms the recording of the Vacation (the "Closing Date"), but in no event shall the Closing Date be earlier than October 1, 2014. Notwithstanding the foregoing, the Closing Date shall occur, if at all, on or before February 14, 2015 ("Outside Closing Date"). This Agreement and all rights and

obligations of the Parties shall terminate if Closing does not occur by the Outside Closing Date. Buyer shall be entitled to an Extended Closing Date of no later than January 9, 2015, if, prior to the Closing Date, Buyer 1) provides evidence to PDC that the Purchase Price funding from Fundrise is not available by the then-scheduled Closing Date and 2) pays PDC an additional Fifty-Eight Thousand Dollars U.S. (\$58,000) (“Closing Extension Payment”). Said Closing Extension Payment shall be non-refundable but shall be a credit against the Purchase Price due at closing.

5.3. Payment of the Purchase Price. Subject to satisfaction of the Conditions Precedent to Closing set forth above, and subject to a credit for the Earnest Money Payment and the adjustments specified herein, at the Closing Buyer shall pay the Purchase Price to PDC in immediately available funds.

5.4. Conveyance by Deed. Subject to satisfaction of the Conditions Precedent to Closing set forth above and upon Buyer’s compliance with the terms of Section 5.3 above, at the Closing PDC will convey the Property to Buyer by a Bargain and Sale Deed, substantially in the form attached hereto as Exhibit D (the “Deed”). The Deed may include all Permitted Exceptions and Final Permitted Exceptions.

5.5. Documents to Be Deposited Into Escrow by PDC. On or before the Closing Date, PDC shall deposit into Escrow all of the following:

5.5.1. An original Deed, duly executed and acknowledged by PDC.

5.5.2. An original certificate of non-foreign person duly executed by PDC and notarized in a form reasonably acceptable to Buyer.

5.5.3. Such documents as the Escrow Agent may require to establish the authority of PDC to complete the sale of the Property as contemplated by this Agreement, and to issue title insurance in the form required by Buyer.

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

5.6. 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 less the amount of the Earnest Money Payment and as adjusted for Buyer’s share of the Closing costs and pro-rations as described in Section 5.7. Buyer shall also deposit into Escrow the following:

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

5.7. Prorations and Costs.

5.7.1. Closing Costs. The costs for recording a Memorandum of this Agreement (as hereinafter defined) and the Deed shall be shared equally by Buyer and PDC. The costs for recording any other documents required by Buyer to be recorded will be paid by Buyer. Each Party shall pay one-half (1/2) of any escrow fees charged by Ticor Title, 111 S.W. Columbia, suite 1000, Portland, Oregon 97201 (the “Escrow Agent”). The cost of the title insurance policy issued to Buyer shall be paid in accordance with

Section 2.8. All other Closing costs, if any, shall be allocated in accordance with the customary practice in Multnomah County.

5.7.2. Prorations of Taxes. All property taxes attributable to the year in which the Closing occurs shall be prorated and adjusted as of the Closing Date as an adjustment at the Closing (regardless of whether such taxes and special assessments are then due and payable or delinquent). Regular real property taxes payable during the year in which the Closing occurs and any rents or income applicable to the Property shall be prorated as of the Closing Date. Buyer shall pay property taxes on the Property beginning on the day following the Closing.

5.7.3. Special Taxes. Buyer assumes all responsibility for any special assessments, deferred taxes or other tax liabilities that are known or unknown to the Parties at Closing and that are payable or that may become payable at a future date

5.7.4. Utilities. PDC 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 PDC shall pay all charges for such utility charges that 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.

6. INFRASTRUCTURE, UTILITIES AND LAND CONDITION

6.1. Infrastructure Improvements. As part of the Project, Buyer, at its own cost, will design, construct, fund and obtain permits for all Infrastructure.

6.2. Site Preparation. As part of the Project, Buyer will, at its own cost, complete all necessary site preparation.

6.3. Utility Service. As part of the Project, Buyer shall install, connect, and upgrade new and existing utilities necessary to serve the Project.

6.4. Subsurface and Surface Conditions. Except as otherwise specifically set forth in this Agreement and in the conveyance documents executed by PDC at the Closing, PDC makes no warranties or representations that the soil conditions, Environmental Conditions or any other conditions of the Property or structures thereon are suitable for any improvements, including the Project. Buyer acknowledges that it has not relied on any verbal or other representations made by the PDC as to the soil conditions, Environmental Conditions or any other conditions of the Property. Buyer acknowledges that it has had free access to PDC's records with respect to the condition of the Property, specifically including the Environmental Due Diligence Reports.

7. DEVELOPMENT

7.1. Diligent Completion.

7.1.1. Subject to the terms and conditions of this Agreement, Buyer covenants that it will commence construction of the Project on or before the date that is three (3) years from the Effective Date (the

“Construction Commencement Deadline”). This covenant shall survive closing.

7.1.2. In no event shall Buyer commence construction unless and until PDC has approved the Project as being in conformance with the Burnside Bridgehead Framework Plan. Prior to the expiration of the Due Diligence Period, Buyer shall provide to PDC schematic designs for the Project and a development narrative (collectively “Schematic Design Documents”). PDC shall have ten (10) Business Days from receipt of the Schematic Design Documents to review the same solely to determine whether the Schematic Design Documents are consistent with the Framework Plan. If, within such 10-day period, PDC fails to notify Buyer in writing that the Schematic Design Documents are inconsistent with the Framework Plan, then the Schematic Design Documents shall be deemed to be consistent with the Framework Plan. If PDC reasonably believes that the Schematic Design Documents are inconsistent with the Framework Plan, PDC’s written notice to Buyer shall state with specificity the inconsistencies. If such notice is timely delivered to Buyer, Buyer and PDC shall work cooperatively and collaboratively to enable Buyer to revise the Schematic Design Documents to be consistent with the Framework Plan.

7.1.3. As used in this Agreement, “commence construction,” “commenced construction” and words of similar import shall mean the date on which Buyer has begun, or has caused a contractor to begin, mass excavation, grading, utility, foundation or other major, related construction work on the Property.

7.2. Inspection and Property Access. Before Closing, PDC will allow Buyer and/or Buyer’s employees, agents and consultants to enter upon the Property in reasonable furtherance of the transaction contemplated in this Agreement pursuant to the Permit of Entry.

7.3. Safety Matters and Indemnification.

7.3.1. Safety. Buyer shall comply with all safety laws and take all reasonable safety measures necessary to protect its employees, if any, from injury or damage caused by or resulting from the performance of its construction.

7.3.2. Indemnity from Liens. Buyer shall indemnify, defend (at PDC’s request) and hold harmless PDC, and its successors and assigns, from and against all claims, costs, expenses, losses, damages and liabilities whatsoever arising from or in connection with any mechanics’, materialmen’s, laborers’ or other construction or statutory liens filed against any portion of the Property or the Project or arising from or related to construction on the Property or the Project performed by or at the request of Buyer or Buyer’s contractors or agents prior to the expiration of the Repurchase Period. The indemnity set forth in this Section shall survive the Closing and any termination of this Agreement.

7.4. Liens. If any statutory lien shall be filed after PDC’s conveyance of the Property to Buyer against any portion of the Project, Buyer shall, within thirty (30) days after the filing thereof, take commercially reasonable action that is necessary and proper (including

posting a bond or a cash deposit and taking such further action as may be required by the Oregon Construction Lien Law), so that the Project shall thereafter be entirely free of the lien. Alternatively, Buyer may elect to leave the lien of record and to contest its validity, amount or applicability by appropriate legal proceedings, but only if Buyer shall, within the 30-day period following the filing of the lien, furnish an indemnity against such lien in an amount and form satisfactory to induce the title insurance company which insured title to the Property to insure over such lien or to reissue or update its existing policy, binder or commitment without showing any title exception by reason of such lien; *provided, further*, that in such event such legal proceedings shall be finally concluded (so that no further appeal may be taken) adversely to Buyer, Buyer shall within thirty (30) days thereafter cause the lien to be discharged of record.

7.5. Compliance with Laws and Use Restrictions. Buyer shall comply with, or cause the Project to comply with, all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality applicable to Buyer, the Project, or the operation thereof.

7.5.1 After the Closing Date, the Buyer shall maintain the Property in a neat, clean and vacant condition not inconsistent with the condition at the time of the Closing Date. The Property, for purposes of this section, shall also include the sidewalks adjacent and curbs not otherwise the responsibility of the City. (PDC's goal is to promote a good relationship with neighboring properties, but also to ensure that the high visibility of the Property reflects a positive image to the public.)

At a minimum, Buyer shall comply with the standards set forth in the City of Portland's Property Maintenance Code, Title 29. (Chapter 29.20.010, Outdoor Maintenance Requirements) Grass and weed shall not be allowed to exceed 10 inches in height. The Buyer shall not allow the accumulation of any debris on the Property of any kind particularly that which would be visible to neighboring property or to adjacent traffic. Buyer shall not store or allow to be stored any vehicles, material or other personal property on the Property except within 3 months of the planned commencement of construction. Buyer shall maintain the sidewalk areas, including any plantings in a neat and clean manner. Any plantings that die or are unsightly shall be replaced. Buyer shall arrange for a minimum weekly inspection of the Property to ensure that the provisions of this section are not violated. Buyer shall not erect fences or signs or other alternations without PDC's prior written approval. PDC shall provide such approval in the case of site alterations that are in direct support of the commencement of construction and that are within 3 months of the commencement of construction. PDC may monitor the Property. If PDC determines that a violation of this section has persisted for more than 7 days then PDC shall provide notice to Buyer of said violation. PDC may, in addition to the notice, elect to enter and remedy the condition so as to bring the Property into compliance with this section. Buyer shall reimburse PDC for all costs associated with PDC's remedy of site conditions. This section shall operate to grant PDC a right of reentry following the Closing.

7.6. Survival. This Section 7 shall survive the Closing until termination of PDC's Repurchase Right in accordance with Section 12.3.1.

8. ENVIRONMENTAL CONDITION OF THE PROPERTY AND PARTIES' RESPONSIBILITIES

8.1. Environmental Due Diligence Reports. Buyer acknowledges receipt of copies of the Environmental Due Diligence Reports provided earlier by PDC.

8.2. Environmental Site Assessment. Within the first 30 days of the Effective Date, Buyer shall cause the completion of a Phase I Environmental Site Assessment of the Property in conformance with the ASTM E 1527-05 process and also in compliance with the United States Environmental Protection Agency All Appropriate Inquiries (40 CFR Part 312). Upon completion of the Phase I Environmental Assessment, Buyer shall provide a copy of the report to PDC promptly after Buyer's receipt thereof. If Buyer seeks a Phase II Environmental investigation or any investigation that would include the disturbance, sampling or lab analysis of soils or other site conditions (all of which shall be considered "Phase II Work"), then Buyer shall first prepare an Environmental Phase II Work plan or statement of work and submit that plan to PDC for review and approval. Buyer shall not commence or cause to commence any Phase II Work without first receiving a written consent from PDC to proceed with Phase II Work. In the event that Phase II Work consent is provided by PDC then Buyer agrees to coordinate with PDC any Phase II Work that may occur. PDC shall be provided a copy of any results of the Phase II Work at the same time as the results are provided to Buyer, including any interim written or verbal results. If the interim reports suggest that incremental environmental remediation costs may exceed \$100,000 then PDC may elect to cease any further Phase II Work, Return the Earnest Money Payment to Buyer and terminate this Agreement.

8.3. Potential Price Adjustment for Incremental Environmental Costs. If the Buyer is compelled to construct underground parking by City permitting authority and Phase II Work generates a cost estimate for incremental environmental costs associated with such excavation that is greater than \$50,000 then the Purchase Price shall be adjusted as follows: PDC shall be responsible for 50% of such incremental environmental costs up to a total PDC responsibility of \$30,000. Buyer shall provide PDC a cost estimate of such incremental environmental costs at least thirty (30) days prior to Closing. The PDC responsibility for incremental environmental costs, if any, may be recognized as a Buyer's credit against the Purchase Price due at Closing. For purposes of this section, "Incremental Environmental Costs" shall mean costs that reflect the difference between the excavation, handling and disposal of clean soil and the excavation, handling and disposal of soils impacted by Hazardous Substances and the cost estimate provided to PDC shall demonstrate such difference.

9. ASSIGNMENT AND TRANSFER PROVISIONS

9.1. Restrictions on Transfer of the Property and Assignment of the Agreement.

9.1.1. Buyer shall not partially or wholly transfer or dispose of or agree to transfer or dispose of the Property, the Project, or Buyer's interest in this Agreement without the prior written approval of the PDC, which may be withheld in PDC's reasonable discretion;

9.1.2. Notwithstanding Section 9.1.1 above, and provided that Buyer provides PDC with copies of all agreements related to an intended transfer at least ten (10) Business Days

prior to the effective date of the proposed transfer, and any other information reasonably necessary for PDC to determine whether such transfer complies with the requirements of this Agreement, PDC hereby consents to: An assignment of Buyer's rights under this Agreement and interest in the Property (which interest will remain subject to the terms and conditions of this Agreement) to a partnership, limited liability company or limited partnership (any of which shall be for purposes of this section the "Assignee") provided that 1) Buyer holds a Controlling Ownership Interest in the Assignee, 2) Buyer is the manager or general partner of such Assignee and 3) Buyer retains control of the operations of the Assignee.

9.1.3. For purposes of section 9.1.2 above, "Controlling Ownership Interest" means the Buyer, in the form of a single identified person or entity, is in a position to control all the decisions of the Assignee to which Buyer's rights are assigned. The Buyer must, as the manager or general partner of the Assignee, be able to take any and all actions on behalf of the Assignee without the approval of any other member or shareholder. Nor may a veto or vote to oppose Buyer by any other member or partner of the Assignee be allowed to defeat the actions of Buyer as manager or general partner of the Assignee.

9.1.4. Notwithstanding an assignment under this section, Buyer shall remain fully responsible to PDC for performance of all elements of this Agreement.

9.1.5. Buyer shall arrange for, and any intended assignment under this section shall be conditioned upon, the Assignee's assumption of all obligations and duties under this Agreement.

9.2. Approved Transfers. Notwithstanding Section 9.1.1 above, and provided that Buyer provides PDC with copies of all agreements related to the transfer at least ten (10) ten (10) Business Days prior to the effective date of the proposed transfer, and any other information reasonably necessary for PDC to determine whether such transfer complies with the requirements of this Agreement, PDC hereby consents to:

9.3. Any Mortgage, including any assignment of rights under this Agreement to any Mortgagee, as reasonably approved by PDC in writing.

9.3.1. Once Buyer has commenced construction, a transfer of any and all rights to the Property is permitted if PDC has previously been provided sixty (60) days written notice and evidence that the entity to which Buyer is transferring intends to construct and is capable of constructing the Project in substantial accord with Buyer's Schematic Design and in accord with the Redevelopment Plan.

10. CONTINUING COVENANTS SURVIVING TERMINATION OF AGREEMENT OR COMPLETION OF CONSTRUCTION

10.1. Surviving Sections. In addition to any section that is otherwise identified as surviving closing and particularly those that benefit PDC's repurchase rights herein, the following Sections of this Agreement shall survive and remain in effect for the periods identified in this Agreement and shall not be deemed to have merged into the Deed: Section 2.5 (AS IS); Section 3 (REPRESENTATIONS); Section 7 (DEVELOPMENT); Section 8.3 (INDEMNIFICATION); and Section 12.3 (DEFAULT AND REMEDIES).

11. MORTGAGEE PROTECTION PROVISIONS

11.1. Effect of Revesting on Mortgages. Any right to repurchase the Property in PDC pursuant to this Agreement shall always be subordinate to, subject to and limited by, and shall not defeat, render invalid, or limit in any way, except as expressly set forth herein, any Mortgage if such Mortgage was used exclusively to fund part or all of the Purchase Price or a construction loan to further the Project.

11.2. Mortgagee Not Obligated To Construct. Notwithstanding any of the provisions of the Agreement, except the covenants set forth in the Deed, a Mortgagee or its designee for purposes of acquiring title at foreclosure shall in no way be obligated by the provisions of this Agreement to construct or complete the Project or to guarantee such construction or completion.

11.3. Copy of Notice of Default to Mortgagee. If PDC delivers a notice or demand to Buyer with respect to Buyer's breach of this Agreement, PDC may at the same time send a copy of such notice or demand to each Mortgagee approved by PDC, at the last address of such holder shown in the records of PDC. Failure of PDC to send a copy of such notice or demand to a Mortgagee shall not prevent or limit in any way PDC's rights and remedies under this Agreement or create any liability for PDC.

11.4. Mortgagee's Options to Cure Defaults. After Buyer's default of this Agreement and if Buyer fails to cure or remedy said default within the required time period, then each Mortgagee shall have thirty (30) days after passage of the latest date for Buyer's cure or remedy of the default or longer if the default cannot reasonably be cured within such 30-day period and Mortgagee is diligently pursuing such cure or remedy, to cure or remedy the default itself, if cure or remedy thereof is permitted by this Agreement. If a Mortgagee does cure or remedy the default, the Mortgagee may add the cost thereof to the Mortgage debt and the lien of its Mortgage, if permitted by its loan documents. If the default is with respect to construction of the Project, nothing contained in this Agreement shall be deemed to prohibit such Mortgagee, either before or after foreclosure or action in lieu thereof, from undertaking or continuing the construction or completion of the improvements, provided that the Mortgagee notifies PDC in writing of its intention to complete the Project.

11.5. Amendments Requested by Mortgagee. PDC may execute amendments to this Agreement or separate agreements to the extent reasonably requested by a Mortgagee proposing to make a loan to Buyer secured by a security interest in all or any part of the Property or the Project, provided that such proposed amendments or other agreements do not materially and adversely affect the rights of PDC or its interest in the Property.

12. DEFAULT AND REMEDIES

12.1. Default and Cure.

12.1.1 Default By Buyer. Buyer shall be in default under this Agreement if Buyer breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within forty-five (45) days after Buyer receives written notice from PDC specifying the breach. Buyer shall also be in default under this Agreement if Buyer makes an assignment for the benefit of

creditors, or is adjudicated a bankrupt, or has a receiver, trustee or creditor's committee appointed over it or the Property.

12.1.2 Default by PDC. PDC shall be in default under this Agreement if PDC breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within forty-five (45) days after PDC receives written notice from Buyer specifying the breach.

12.2. PDC's Pre-Conveyance Remedies.

12.2.1. If a Buyer default occurs before the Property is conveyed to Buyer, and the Earnest Money Refund Period has passed, PDC, as its sole and exclusive remedy, may terminate this Agreement by written notice to Buyer and retain the Earnest Money Payment. **BUYER AND PDC HEREBY ACKNOWLEDGE AND AGREE THAT PDC'S DAMAGES IN THE EVENT OF SUCH A BREACH OF THIS AGREEMENT BY BUYER WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT THE AMOUNT OF THE EARNEST MONEY PAYMENT PLUS ANY ACCRUED INTEREST THEREON IS THE PARTIES' BEST AND MOST ACCURATE ESTIMATE OF THE DAMAGES PDC WOULD SUFFER IN THE EVENT THE TRANSACTION PROVIDED FOR IN THIS AGREEMENT FAILS TO CLOSE, AND THAT SUCH ESTIMATE IS REASONABLE UNDER THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT**

12.2.2. If PDC terminates this Agreement as provided in this Section, then Buyer shall deliver to PDC within thirty (30) days after termination, copies of all engineering documents and environmental documents pertaining to the physical condition of the Property prepared by third party consultants, and which Buyer is authorized to release; *provided, however*, that such documents and other materials will be provided to PDC without representation or warranty of any kind. PDC may use any of the foregoing documents in any manner that PDC deems appropriate with the consent of any party having approval rights thereunder. PDC shall pay no compensation to Buyer for the foregoing Project documents.

12.3. PDC's Post-Conveyance Remedies.

12.3.1. If Buyer fails to commence construction (as defined in Section 7.1.3) on or before the Construction Commencement Deadline, then PDC shall have the right to repurchase the Property (the "Repurchase Right"). If PDC exercises the Repurchase Right it shall pay Buyer the Repurchase Price (defined below). PDC's exercise of the Repurchase Right shall be by delivery of written notice to Buyer by a date that is not more than thirty (30) Business Days after the Construction Commencement Deadline. The period between the Closing of PDC's conveyance to Buyer and thirty (30) Business Days after the Construction Commencement Deadline shall be the "Repurchase Period". PDC's Repurchase Right shall automatically terminate and be of no further effect on the date the Buyer commences construction of the Project within the Repurchase Period.

12.3.2. In the event that PDC exercises the Repurchase Right and deposits to escrow the Repurchase Price the Buyer shall, within 30 days of receipt of the written notice of Repurchase Right, deposit a Bargain and Sale Deed to escrow with instructions to

immediately record a conveyance to PDC conditioned only upon release of the Repurchase Price.

12.3.3. Buyer shall deliver to PDC within thirty (30) days after PDC's notice of exercise of the Repurchase Right, copies of all engineering documents and environmental documents pertaining to the physical condition of the Property by third party consultants, and which Buyer is authorized to release; *provided, however*, that such documents and other materials will be provided to PDC without representation or warranty of any kind. PDC may use any of the foregoing documents in any manner that PDC deems appropriate with the consent of any party having approval rights thereunder. As used in this Agreement, "Repurchase Price" means ONE MILLION ONE HUNDRED SIXTY THOUSAND DOLLARS U.S. (\$1,160,000 U.S.). However if, on the date of closing on a conveyance from Buyer to PDC following exercise of PDC's Repurchase Rights, there exist any new liens, claims or third party rights, liabilities or other encumbrances or apparent negative impacts to the Property which did not exist on the date PDC conveyed to Buyer, then the Repurchase Price shall be reduced by: (i) the recorded principal sums of any such liens, claims or third party rights or liabilities and, (ii) as to any encumbrances or apparent negative impacts not otherwise stated of record, the apparent market value impact of same to the Property as determined by an appraisal thereof.

12.3.4. This Section 12.3 shall survive the Closing until termination of PDC's Repurchase Right.

12.4. Buyer's Pre-Conveyance Remedies. If a PDC default (as described in Section 12.1.2) occurs before PDC conveys the Property to Buyer and all cure periods have elapsed, Buyer may terminate this Agreement by written notice to PDC, in which event the Earnest Money Payment, and Closing Extension Payment if any, shall be immediately returned to Buyer. PDC shall not be subject to any other remedies including any other equitable remedies such as specific performance. However, notwithstanding the forgoing, in addition to termination and return of the Earnest Money Payment and Closing Extension Payment, if any, the Buyer shall also be entitled to a payment from PDC in an amount of \$30,000 if PDC takes affirmative action to default under section 12.1.2 above and, as a direct result, Buyer elects to terminate this Agreement.

12.5. Buyer Unavoidable Delay.

12.5.1. Neither a Party nor a Party's successor in interest shall be considered in breach of or in default with respect to any obligation under this Agreement if the delay in performance of such obligation ("Unavoidable Delay") is a result of conditions unforeseeable, beyond the Party's reasonable control, and without the Party's fault or negligence, including, without limitation, events such as natural disasters (fire, flood, earthquake, storm, hurricane, or unusually severe weather), war, invasion, hostilities, terrorist activities, epidemic, quarantine, blockage, embargo, labor dispute, strike, malicious mischief and explosion.

12.5.2. A Party asserting an Unavoidable Delay as an excuse for failure to perform the Party's obligation must, within sixty (60) days after the Party becomes actually aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and estimated time of correction. The Party must

thereafter make commercially reasonable efforts to resume performance of the delayed obligation.

12.5.3. Unavoidable Delay will extend the time or times for performance of the Party's obligation for the period of the Unavoidable Delay. In no event will the time or times for performance of an obligation be extended for more than 90 days in the aggregate.

13. MISCELLANEOUS PROVISIONS

13.1. PDC Project Manager. For the purposes of managing the implementation of the provisions of this Agreement on behalf of PDC, PDC shall designate a Project Manager. At the Effective Date, the Project Manager is Eric Jacobson.

13.2. Discrimination. Buyer, for itself and its successor and assigns, agrees that, during the construction of the Project, Buyer will not discriminate against any employee or applicant for employment because of race, color, religion, age, gender, sexual orientation or national origin.

13.3. Notice. Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered on the earlier of actual delivery or refusal to accept delivery thereof if sent by one of the following means with all applicable delivery and postage charges prepaid: (a) registered or certified U.S. mail, postage prepaid, return receipt requested; (b) personal delivery; or (c) if simultaneously delivered by another means allowed hereunder, e-mail, with receipt of confirmation that such transmission has been received.

In the case of a notice or communication to Buyer, addressed as follows:

Kevin Cavanaugh

With a copy to:

Brad Miller
Ball Janik LLP
101 SW Main Street, Suite 1100
Portland, Oregon 97204

In the case of a notice or communication to PDC, addressed as follows:

Portland Development Commission
Attn: Eric Jacobson
222 NW 5th Ave.
Portland, OR 97209
Email: jacobsons@PDC.us

With a copy to:

Portland Development Commission
Attn: General Counsel
222 NW 5th Ave.
Portland, OR 97209
Email: iversone@pdc.us

or addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this section. Notices may be given by counsel to a Party.

If either Party's notice contact person or address changes, that Party shall provide the other Party with the updated contact information.

13.4. Merger. This section is intentionally reserved.

13.5. Headings. Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

13.6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

13.7. Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by PDC or Buyer of any provision of this Agreement or any breach thereof, shall be of any force or effect unless in writing and no such waiver shall be construed to be a continuing waiver.

13.8. Attorneys' Fees. Except as limited elsewhere in this Agreement, if a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under U.S. Bankruptcy Code, is instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing or non-defaulting party shall be entitled to recover from the losing or defaulting 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, as determined by the judge at trial or on any appeal in addition to all other amounts provided by law. This provision shall cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

13.9. Governing Law, Venue, Consent to Jurisdiction. This Agreement shall be governed by Oregon law, without regard to principles of conflicts of law. Any action or suit to enforce or construe any provision of this Agreement by any Party must be brought in the Circuit Court of the State of Oregon for Multnomah County or, if the action or suit must be brought in a federal forum, the United States District Court for the District of Oregon in Portland, Oregon. Each Party, by execution of this Agreement, hereby consents to the *in personam* jurisdiction of said courts.

13.10. Calculation of Time. Except where designated otherwise such as “business days”, All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the state of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday.

13.11. Construction. In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

13.12. Legal Purpose. Buyer agrees to use the Project solely for lawful purposes.

13.13. Severability. If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

13.14. Entire Agreement. This Agreement and its exhibits are the entire agreement between the Parties with regard to the disposition and development of the Property. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations or warranties made by either Party, implied or express, other than those contained in this Agreement.

13.14.1. Amendments and Modifications. Any modifications to this Agreement must be made in writing and executed by all Parties, with the approval of the Board of PDC, if required. Notwithstanding this general requirement, the PDC Executive Director may approve modifications to this Agreement without new Board approval under his delegated authority

13.15. Successors and Assigns. Subject to the provisions of Section 10.1, the benefits conferred by this Agreement, and the obligations assumed thereunder, shall inure to the benefit of and bind the successors and permitted assigns of the Parties.

13.16. No Partnership. Nothing contained in this Agreement or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties other than that of independent contracting parties.

13.17. Non-waiver of Government Rights. By making this Agreement and delivery of the Deed, PDC is not obligating or limiting itself, the City, or any other agency with respect to any discretionary action relating to development or operation of the improvements to be constructed on the Property, including, but not limited to actions for rezoning, variances, environmental clearances or any other governmental approvals which are or may be required or sought, except as expressly set forth herein.

13.18. Approvals. Where this Agreement requires the approval of PDC, PDC will approve or disapprove in writing within thirty (30) days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary. Any disapproval shall state the reasons for such disapproval.

13.19. Time of Essence. Time is of the essence in this Agreement. However, if either Party fails to fulfill an obligation under this Agreement, such Party shall not be deemed to be in

default until notice of such failure has been given in accordance with Section 12.1 and the applicable cure period has passed without cure of the failure.

13.20. No Third-Party Beneficiary Rights. No person not a party to this Agreement is an intended beneficiary of this Agreement, and no person not a party to this Agreement shall have any right to enforce any term of this Agreement.

13.21. Recording of Memorandum of Agreement. PDC shall record a memorandum of this Agreement (“Memorandum of Agreement”) within ten (10) days after the Effective Date. The form of the Memorandum of Agreement is attached as Exhibit F to this Agreement. Buyer shall immediately tender to PDC a release of the Memorandum of Agreement and, if applicable, a reconveyance to PDC upon any breach and failure to cure event or in the event of termination of this instrument. The form of the release or reconveyance shall be in accord with that which Escrow Agent deems necessary to clear title of the Memorandum of Agreement and shall not be limited by the terms “release” or “reconveyance.” When PDC’s Repurchase Right expires or if the Agreement is terminated, the Parties shall cooperate to promptly record a release or reconveyance or Amended Memorandum of Agreement to reflect the surviving covenants of this Agreement, if any.

13.22. Incorporation. The exhibits attached to this Agreement are incorporated into and made a part of this Agreement, and the recitals set forth at the beginning of this Agreement are incorporated into the body of this Agreement as if fully set forth herein.

13.23. STATUTORY WARNING. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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 ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

(signatures appear on the following page)

Executed in multiple counterparts as of the Effective Date.

PDC: **CITY OF PORTLAND**, a municipal corporation in the State of Oregon, acting by and through the Portland Development Commission as the duly designated Urban Renewal Agency of the City of Portland.

By: _____
Patrick Quinton, Executive Director

APPROVED AS TO FORM:

BUYER: _____

EXHIBITS

Exhibit A.	Definitions
Exhibit B.	B-1 Legal Description B-2 Depiction of Property
Exhibit C.	Form of Permit of Entry
Exhibit D.	Form of Bargain and Sale Deed
Exhibit E.	Vacation Description
Exhibit F.	Form of Memorandum of Agreement

EXHIBIT A

DEFINITIONS

The following words and phrases have the designated meanings in this Agreement:

1. **“Agreement”** has the meaning set forth in the caption of this Agreement.
2. **“Board”** means the PDC Board of Commissioners.
3. **“Business Days”** means any weekday that is not a Saturday, Sunday or legal holiday in the State of Oregon.
4. **“City”** means the municipal corporation of the City of Portland, Oregon and its constituent bureaus and agencies, except PDC.
5. **“Closing”** means the transfer of any portion of the Property to Buyer by PDC by recording of the Deed and handling of all other necessary documentation by the Escrow Agent.
6. **“Closing Date”** has the meaning set forth in Section 5.2.
7. **“Construction Commencement Deadline”** has the meaning set forth in Section 7.1.3.
8. **“Deed”** has the meaning set forth in Section 5.4.
9. **“DEQ”** means the Oregon Department of Environmental Quality.
10. **“Buyer”** has the meaning set forth in the introductory paragraph of this Agreement.
11. **“Due Diligence Materials”** has the meaning set forth in Section 2.6.2.
12. **“Due Diligence Period”** has the meaning set forth in Section 2.6.2.
13. **“Effective Date”** has the meaning set forth in the introductory paragraph of this Agreement.
14. **“Environmental Conditions”** means the physical condition of the Property as measured by the standards of the Environmental Laws. Environmental Conditions do not include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.
15. **“Environmental Due Diligence Reports”** means reports of investigations performed as part of environmental due diligence, which may include Phase 1, Phase 2 and Hazardous Building Site Assessments and reports that PDC has completed or PDC has in its possession, completed by others.
16. **“Environmental Laws”** means all federal, state and local laws, ordinances, rules and regulations relating to the protection or regulation of the environment that apply to the Property or the Project, including without limitation, Chapter 466 of the Oregon Revised Statutes, Chapter 341 of the Oregon Administrative Rules, RCRA (as defined in the definition of Hazardous Substances,

below), CERCLA (defined in the definition of Hazardous Substances, below), the Safe Drinking Water Act, the Clean Air Act, the Clean Water Act, and the Toxic Substances Control Act.

17. **“Escrow Agent”** has the meaning set forth in Section 5.1.1.

18. **“Earnest Money Payment”** has the meaning set forth in Section 2.3.

19. **“Escrow Instructions”** has the meaning set forth in Section 5.1.2.

20. **“Final Permitted Exceptions”** has the meaning set forth in Section 2.7.2.

21. **“Hazardous Substances”** 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.

22. **“Infrastructure”** means public streets, sidewalks, alleys, and driveway approaches, connections to garages, planting street trees and grass in planting strips, stormwater mitigation, street and parking lot lighting, construction and connection of the Project to abutting potable water and sewer and storm sewer mains, connecting the Project to gas and electric and other necessary utility services, and all permitting for any of the above.

23. **“Land”** has the meaning set forth in Section 2.2.

24. **“Laws”** has the meaning set forth in Section 3.1.6.

25. **“Memorandum of Agreement”** has the meaning set forth in Section 13.21.

26. **“Mortgage”** means a mortgage, deed of trust or master lease against the Property (or any portion thereof) to finance the Project recorded in the real property records of Multnomah County, Oregon.

27. **“Mortgagee”** means the holder of any Mortgage, including a master lease and trust deed, together with any successor or assignee of such holder. The term “Mortgagee” shall include any Mortgagee as owner of the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, or any insurer or guarantor of any obligation or condition secured by a Mortgage but shall not include (a) any other person or entity who thereafter obtains title to the Property or such part from or through a Mortgagee or (b) any other purchaser at foreclosure sale.

28. **“Party”** and **“Parties”** have the meanings set forth in the introductory paragraph of this Agreement.

29. **“PDC”** has the meaning set forth in the introductory paragraph of this Agreement.

30. **“PDC’s knowledge”** means the actual current knowledge of the PDC Project Manager, without any duty of inquiry or investigation.

31. **“Permit of Entry”** has the meaning set forth in Section 2.6.1.

32. **“Permitted Exceptions”** has the meaning set forth in Section 2.7.1.

33. **“Principals”** means Kevin Cavanaugh.

34. **“Project”** has the meaning set forth in Recital C.

35. **“Purchase Price”** has the meaning set forth Section 2.4.

36. **“Release”** means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping of Hazardous Substances in violation of Environmental Laws.

37. **“Repurchase Period”** has the meaning set forth in Section 12.3.1.

38. **“Repurchase Price”** has the meaning set forth in Section 12.3.3.

39. **“Repurchase Right”** has the meaning set forth in Section 12.3.1.

40. **“Schematic Design Documents”** has the meaning set forth in Section 7.1.2.

41. **“Seller Response Period”** has the meaning set forth in Section 2.7.1.

42. **“Title Report”** has the meaning set forth in Section 2.7.1.

43. **“Unavoidable Delay”** has the meaning set forth in Section 12.5.1.

44. **“URA”** has the meaning set forth in Recital A.

45. **“Urban Renewal Plan”** has the meaning set forth in Recital A.

EXHIBIT B-1

LEGAL DESCRIPTION

Lots 5, 6, 7 and 8, Block 76, EAST PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM any portion of the above described properties heretofore taken for the widening of public streets or highways.

AND FURTHER EXCEPT, those portions taken for public street purposes, recorded April 16, 2009, Fee No. 2009-051595

EXHIBIT B-2

DEPICTION OF PROPERTY



EXHIBIT C

FORM OF PERMIT OF ENTRY



PERMIT OF ENTRY

THIS REVOCABLE PERMIT OF ENTRY, hereafter called "Permit" is hereby granted by the City of Portland acting by and through the Portland Development Commission, the duly designated urban renewal agency (hereafter called the "Commission"), to _____ (hereinafter referred to as "Permittee") for the temporary and intermittent use of Commission-owned Property known as "BLOCK 76E" of the Burnside Bridgehead Site and located at _____ (the "Property") for the purpose of conducting intermittent due diligence investigations, studies and tests as further described below, subject to the following terms and conditions:

1. Section 1. Location, Activities and Maintenance of Property
 - 1.1 Permittee and its contractors and consultants are hereby permitted to enter upon and use that certain real property at _____ commonly known as Burnside Bridgehead Block 76E. ("Property"). The Property and area of use is depicted on the attached Exhibit "A".
 - 1.2 Permittee and its contractors and consultants are may intermittently enter onto and use the Property only for conducting due diligence investigations tests, and studies pursuant to that certain Agreement for Purchase and Sale of Property dated _____ (the "Agreement").
 - 1.3 **Permittee shall maintain and keep the Property in as clean and orderly a condition as exists on the date Permittee first enters the Property.**
 - 1.4 Permittee shall, upon completion of its activities restore the Property to the same or better condition as that existing immediately prior to its entry upon the Property. If restoration is impossible Permittee shall compensate Commission for any physical damage to the Property in the amount the Commission may reasonably determine.
 - 1.5 Permittee's use of and entry upon the Property shall be without expense of any kind (direct or indirect) whatsoever to Commission. Permittee shall be solely responsible for all maintenance and operating costs, if any, that result from its use of the Property. Should the

Commission incur costs as a result of Permittee's temporary use of the Property, Permittee shall reimburse the Commission promptly upon the presentation of billing and reasonable documentation of such expense.

- 1.6 The Commission, its agents, employees and representatives may at any reasonable time, enter into or upon the Property for the purposes of examining the condition thereof, or for any other lawful purpose.

2. Section 2. Insurance and Indemnification

- 2.1 Permittee shall obtain, maintain, and keep during the Term of this Permit comprehensive general liability insurance written on an "occurrence" basis. Such insurance shall be in the amount of not less than \$1,000,000 combined single limit for liability with a \$2,000,000 aggregate insuring bodily and/or personal injury, including death and disease, and property damages.
- 2.2 Permittee agrees prior to commencement of the performance hereunder to provide a Certificate of Insurance containing **an endorsement** specifically naming **the City of Portland, the Portland Development Commission, its commissioners, officers, agents and employees as additional insureds**. The certificate shall provide that coverage afforded and shall not be canceled or amended without prior written notice to the Commission. **Endorsement CG 20 10 11 85, or its equivalent, must be attached to certificate.**
- 2.3 Permittee shall indemnify, hold harmless and at the Commission's request, defend the Commission and the City of Portland and each of their respective commissioners, officers, agent and employees from and against any and all liability or alleged liability, all suits, legal proceedings, claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or in connection with Permittee's entry to the Property, or error or omission of Permittee or anyone acting on behalf of Permittee in connection with or incidental to this Permit; provided however, that nothing herein shall be construed to require indemnification of the Commission for liability attributable to pre-existing conditions or the Commission's negligence.
- 2.4 Furthermore, the Permittee shall assume all liability related to injury, death or disease to invitees, licensees, or trespassers, resulting from patent Property defects.
- 2.5 Permittee is solely responsible for any theft, damage or destruction to any materials, equipment or any other property of Permittee, or anyone acting on behalf of Permittee in connection with or incidental to this Permit.

Section 3. Restrictions on Use and Hazardous Substances

- 3.1 Permittee shall in its use and entry upon the Property, observe all rules, regulations, and laws now in effect by any municipality, county, state or federal authority having jurisdiction over the Property, as they relate to the use of the Property. Permittee is solely responsible for obtaining any permits or approvals from other agencies or licensing bodies as may be necessary for Permittee's authorized entry upon and use of the Property. Furthermore, Permittee agrees to indemnify the Commission as provided above for any damages caused by the violation thereof of any permits or approvals that may so be required.

- 3.2 Use of explosives or highly flammable material is not permitted without prior written authorization from the Portland Development Commission. **(Insurance limits may be increased dependent upon PDC permission of this use).**
- 3.3 Permittee shall not have the right to use the electricity, gas, water, sewer and other utilities on the Property unless otherwise specified in Section 6 below.
- 3.4 Permittee shall not allow any lien of any kind, type or description to be placed or imposed upon the Property or upon any improvements on the Property (if any).
- 3.5 Permittee shall not cause or permit to occur the use, generation, release, manufacture, handling, processing, storage, disposal or improper use of any Hazardous Substance, pollutant, or contaminant, on, under, or about the Property or the transportation to or from the Property of any Hazardous Substance except as may specifically detailed in Section 6 below. "Hazardous Substances" are substances regulated under any environmental law or regulation now or hereafter enacted by any governmental federal, state or local authority. Notwithstanding the foregoing, Permittee shall have no liability for Hazardous Substances existing on the Property as of the date of this Permit.

Section 4. Processing Fee, Use Fee and Term

- 4.1 Permittee shall pay to the Commission an initial, non-refundable permit-processing fee in the amount of one hundred dollars (\$100.00).
- 4.2 The Permit will commence on the earlier of effective date of the Agreement or the date that all parties execute this permit. The Permit will end on the earlier of termination of or closing under the Agreement, unless earlier terminated or extended in writing by the Commission ("Term").
- 4.3 The Permit shall be personal to Permittee, and may not be transferred or assigned to any other party or entity unless otherwise approved in writing by the Commission.

Section 5. Termination, Notice and Amendments

- 5.1 Notices under this Permit shall be made in accordance with the Agreement.
- 5.2 The parties agree that any Amendments to the Permit shall be made in writing and become effective upon execution by both parties.

Section 6. Special Conditions

Intentionally Omitted

ALL TERMS AND CONDITIONS OF THIS ENTRY PERMIT ARE HEREBY ACCEPTED:

PERMITTEE		COMMISSION	
		Portland Development Commission 222 NW Fifth Avenue Portland, OR 97209	
_____ Authorized Signature	_____ Date	_____ Director Signature	_____ Date
_____ Written Name	_____ Title	_____ Written Name	_____ Title

ATTACHMENT: Exhibit "A" Property Map and Use Limits



EXHIBIT D

FORM OF BARGAIN AND SALE DEED

After recording return to and,
until a change is requested, all
tax statements shall be sent to:

BARGAIN AND SALE DEED

The **CITY OF PORTLAND**, a municipal corporation of the State of Oregon, acting by and through the **PORTLAND DEVELOPMENT COMMISSION**, as the duly designated Urban Renewal Agency of the City of Portland (together with any successor public agency designated by or pursuant to law, "PDC"), conveys to _____, a _____ ("Buyer"), the following described real property (hereinafter the "Property"):

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

The conveyance is made pursuant to that certain Agreement for Purchase and Sale of Property in the Central Eastside Urban Renewal Area between Buyer and PDC, dated ____, 2014 (the "Agreement"). The true and actual consideration for this conveyance is _____ DOLLARS (\$_____).

This Deed is made by PDC pursuant to powers exercised by it under Oregon Revised Statutes Chapter 457, and Chapter XV of the Charter of the City of Portland, and for the purpose of carrying out an urban renewal plan for the Central Eastside Urban Renewal Area approved by the City Council of the City on August 27, 1986, as amended.

It is intended that the delivery of this Deed shall not effect a merger of those provisions of the Agreement that under the terms of the Agreement expressly survive after the delivery of this Deed.

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, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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,

Agreement for Purchase and Sale of Property

CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this ____ day of _____, 2014.

CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, as the duly designated Urban Renewal Agency of the City of Portland

By: _____
Chairman

By: _____
Secretary

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on _____, 2014 by _____ as Chairman of the **PORTLAND DEVELOPMENT COMMISSION**, the duly designated urban renewal agency of the City of Portland.

Notary Public – State of Oregon

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on _____, 2014 by _____ as Secretary of the **PORTLAND DEVELOPMENT COMMISSION**, the duly designated urban renewal agency of the City of Portland.

Notary Public – State of Oregon

BARGAIN AND SALE DEED

EXHIBIT A

LEGAL DESCRIPTION

Lots 5, 6, 7 and 8, Block 76, EAST PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM any portion of the above described properties heretofore taken for the widening of public streets or highways.

AND FURTHER EXCEPT, those portions taken for public street purposes, recorded April 16, 2009, Fee No. 2009-051595.

AND FURTHER EXCEPTING THOSE MATTERS ON EXHIBIT B ATTACHED HERETO.

AS IS - Grantee acknowledges that it has examined the above-described Property to its own satisfaction and has formed its own opinion as to the condition (including environmental condition) and value thereof. Grantee has not relied on any statements or representations from Grantors or any person acting on behalf of Grantors concerning any of the following: the size or area of the Property or any of the parcels of the Property; the location of corners or boundaries of any parcel of the Property; the condition of the Property, including but not limited to, environmental condition above or below the surface of the Property or compliance with environmental laws and other governmental requirements; the availability of services to the Property; the ability of Grantee to use the Property or any portion thereof for any intended purpose; or any other matter affecting or relating to the Property or any portion thereof. Grantee is acquiring the Property, both above surface and below surface, in the condition existing at the time of closing, AS IS, with all defects, if any. Grantee and Grantee's successors waives, releases, agrees to defend and forever discharges Portland Development Commission, and its successor forms, 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 Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Property. These provisions shall be binding on Grantee and Grantee's successors and assigns.

BARGAIN AND SALE DEED

EXHIBIT B

To

BARGAIN AND SALE DEED

EXCEPTIONS

Per PTR Ticor Order no. 3626052263AMS-TTPOR50, 2nd Supp., Dated Effective January 2, 2014, and Additional Exceptions as said Additional Exceptions may be approved by Buyer in accord with Agreement.

EXHIBIT F

FORM OF MEMORANDUM OF AGREEMENT

After Recording Return To:

Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209
Attn: _____

Memorandum of Agreement

THIS MEMORANDUM OF AGREEMENT FOR PURCHASE AND SALE OF PROPERTY (“Memorandum”) shall serve as **NOTICE** to all persons that the CITY OF PORTLAND (the “City”), 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 (“PDC”), with an address of Portland Development Commission, 222 NW Fifth Avenue, Portland, Oregon 97209-3859 and Kevin Cavenaugh (“Buyer”), with an address of _____, Portland, OR 97____, entered into an AGREEMENT FOR PURCHASE AND SALE OF PROPERTY AND RIGHT OF REPURCHASE in the Central Eastside Urban Renewal Area, (_____) dated as of _____, 2014 (the “Agreement”) relating to the real property located in Multnomah County, Oregon, as more particularly described in Exhibit A attached hereto (the “Property”).

Among other things, the Agreement requires PDC to convey the Property to Buyer upon the satisfaction of certain conditions precedent, and requires Buyer to construct certain project improvements on the Property, all as more particularly set forth in the Agreement.

This instrument is **FURTHER NOTICE** that as a condition subsequent to the Property conveyance, if Buyer fails to commence construction of the Project within 3 years of the Effective Date of the Agreement then PDC shall have the option to repurchase from Buyer the Property on the terms and conditions set forth in the Agreement. The PDC’s repurchase rights reflected in this memo SHALL NOT MERGE upon conveyance of the Property to Buyer. In the event that PDC does not exercise its repurchase rights then this instrument may be removed from title only by evidence of a release executed by PDC. PDC shall not unreasonably withhold such release if the Buyer has complied with the terms of the Agreement.

PDC and Buyer execute this Memorandum to acknowledge being bound by the Agreement and to give notice of the Agreement to third parties.

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.

By: _____

Name: _____

Title: Executive Director

_____, a _____

By: _____

Name: _____

Title: _____

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on _____, 2014 by **Patrick Quinton** as **Executive Director** of the **PORTLAND DEVELOPMENT COMMISSION**, the duly designated urban renewal agency of the City of Portland.

Notary Public – State of Oregon

State of OREGON

County of MULTNOMAH

This instrument was acknowledged before me on _____, 2014 by _____ as _____ of _____ a _____.

Notary Public – State of Oregon

EXHIBIT A TO MEMORANDUM OF AGREEMENT
Description of Property

Lots 5, 6, 7 and 8, Block 76, EAST PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM any portion of the above described properties heretofore taken for the widening of public streets or highways.

AND FURTHER EXCEPT, those portions taken for public street purposes, recorded April 16, 2009, Fee No. 2009-051595.

AND FURTHER EXCEPTING THOSE MATTERS ON EXHIBIT B ATTACHED HERETO.

RESOLUTION NO. 7042

RESOLUTION TITLE:

AUTHORIZING A PURCHASE AND SALE AGREEMENT TO CONVEY 0.31 ACRES OF REAL PROPERTY IN THE CENTRAL EASTSIDE URBAN RENEWAL AREA TO THE FAIR-HAIRED DUMBELL, LLC, FOR \$1,160,000


Adopted by the Portland Development Commission on April 16, 2014

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

CERTIFICATION

The undersigned hereby certifies that:

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

	Date: April 17, 2014
Gina Wiedrick, Recording Secretary	