

**PORTLAND DEVELOPMENT COMMISSION**  
Portland, Oregon

**RESOLUTION NO. 6576**

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A  
PURCHASE AND SALE AGREEMENT WITH THE GENERAL  
SERVICES ADMINISTRATION'S SELECTED DEVELOPER FOR  
THE SALE OF A LEASEHOLD INTEREST AT CASCADE  
STATION IN THE AIRPORT WAY URBAN RENEWAL AREA  
FOR \$3,310,560**

**WHEREAS**, Cascade Station is a 120-acre parcel of land within the Portland International Center ("PIC"), owned by the Port of Portland ("Port") and located at the southwest corner of the intersection of Interstate 205 and Airport Way within the Airport Way Urban Renewal Area ("URA");

**WHEREAS**, in February 1999, the Portland City Council adopted the Cascade Station/Portland International Center Plan District ("1999 Plan District"), which established land use and development entitlements and restrictions for the development at Cascade Station;

**WHEREAS**, on June 11, 1999 (Resolution No. 5278), the Portland Development Commission ("PDC") executed a Development Agreement with Cascade Station Development Company, LLC, ("CSDC"), a joint venture of Ben UIC Holdings, Inc. ("Bechtel") and Trammell Crow Portland Development, Inc., which provided for, among other things, the development by CSDC of the basic site infrastructure, light rail facilities, bridges and landscaping and established design standards, maximum development rights, plan approval processes and PDC's goals for employment in the URA via PDC's Quality Jobs Program;

**WHEREAS**, the infrastructure at Cascade Station was paid for by monies advanced by the CSDC, the Port, TriMet, and PDC;

**WHEREAS**, in exchange for PDC's agreement to pay for a portion of the costs of the Airport MAX Line, the Port agreed to grant the rights for Cascade Station development to PDC, whose development rights were subsequently assigned to CSDC in exchange for, among other things, an Assignment Fee Payment Agreement ("Junior Obligation") executed by CSDC in favor of PDC in the amount of \$14 million;

**WHEREAS**, on February 17, 2005, the Portland City Council adopted an ordinance amending the 1999 Plan District ("Plan District Amendments") to, among other things, allow a different mix of uses to facilitate the development of Cascade Station and to achieve the goals and objectives established by the City;

**WHEREAS**, on June 22, 2005, the PDC Board of Commissioners ("Board") approved PDC Resolution No. 6263 relating to the development at Cascade Station including approval of a First and Second Amended Development Agreement to allow for a different mix of uses and plan approval processes;

**WHEREAS**, Resolution No. 6263 also approved the terms and conditions of a proposed Restructure Agreement which reassigned development rights to 36 acres of land at Cascade Station to PDC as full satisfaction of the Junior Obligation;

**WHEREAS**, in August 2006, PDC staff issued Request For Proposals #06-06 for Cascade Station Broker Representation to market the 36 acres for sale and development, and received five (5) proposals from qualified firms; the Grubb & Ellis Company was recommended by the Evaluation Committee following review of the submittals and interviews of two short-listed firms;

**WHEREAS**, on October 25, 2006 (Resolution No. 6399), the Board authorized execution of a Professional Services Contract with Grubb & Ellis;

**WHEREAS**, on April 10, 2007, the General Services Administration (“GSA”) submitted a proposed Option Agreement to PDC to acquire the leasehold interest from PDC for approximately eight (8) acres of Commission property at Cascade Station, and PDC and GSA representatives negotiated the terms and conditions thereof;

**WHEREAS**, on October 24, 2007, the Board approved Resolution No. 6516 authorizing execution of the Option Agreement which was subsequently executed on October 31, 2007;

**WHEREAS**, said Option Agreement included a requirement that the parties also execute a Purchase and Sale Agreement in order to specify other terms and conditions of the proposed transaction that were not included in the Option Agreement;

**WHEREAS**, on November 29, 2007, GSA issued a Solicitation for Offers seeking a developer to acquire the subject leasehold interest from the Commission and develop the property for specified uses; and

**WHEREAS**, GSA anticipates selecting a developer to undertake the project by November 2008, assigning its interest in the Option Agreement and closing the transaction by January 2009.

**NOW, THEREFORE, BE IT RESOLVED** that the Executive Director is hereby authorized to execute a Purchase and Sale Agreement with the developer selected by the United States of America, acting by and through the General Services Administration, for the sale of the Leasehold Estate to the selected developer of approximately eight (8) acres of PDC-controlled property at Cascade Station, as more specifically described in the Option Agreement between the parties dated October 31, 2007 and the attached Purchase and Sale Agreement, and for a sales price of \$3,310,560;

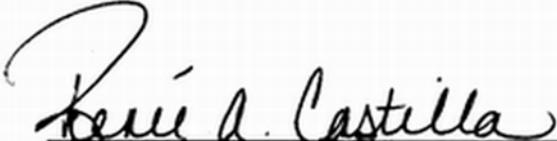
**BE IT FURTHER RESOLVED** that said sale shall be substantially as is provided for in the form of Purchase and Sale Agreement, attached hereto as Exhibit A and subject to approval by PDC Legal Counsel;

**BE IT FURTHER RESOLVED** that, notwithstanding Exhibit A, the Executive Director is further authorized to make adjustments to the Purchase Price based on the results of due diligence and other site issues, but not exceeding five percent (5%) of the stated Purchase Price; and may allow extensions to the times of performance not exceeding a total of 4 months;

**BE IT FURTHER RESOLVED** that the Executive Director is further authorized to execute other documents with other parties as may be necessary to effectuate this transaction; and

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

**Adopted by the Portland Development Commission on May 14, 2008.**



Renee A. Castilla  
Renee A. Castilla, Recording Secretary

## LEASEHOLD PURCHASE AND SALE AGREEMENT

[CASCADE STATION DEVELOPMENT FOR SUBLEASE TO UNITED STATES OF AMERICA, ACTING BY AND THROUGH GENERAL SERVICES ADMINISTRATION – 8-ACRE PORTION OF PARCEL A]

This LEASEHOLD PURCHASE AND SALE AGREEMENT (the “Agreement”) is made and entered into as of \_\_\_\_\_, 2008 (the “Effective Date”), by and between the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon, a municipal corporation of the State of Oregon (“Seller”) and \_\_\_\_\_, a \_\_\_\_\_ (“Buyer”). Seller and Buyer are referred to jointly in this Agreement as “Parties” and individually as a “Party.” The UNITED STATES OF AMERICA, acting by and through the General Services Administration (“GSA”) shall execute this Agreement for the sole purpose of evidencing its acknowledgment to the execution of this Agreement by the Parties. Capitalized terms used herein have the respective meanings set forth in the attached Exhibit A.

### Recitals:

A. Pursuant to that certain Master Development Agreement dated as of May 28, 1999 (as amended from time to time, the “Master Development Agreement”), by and between the Port of Portland, a port district of the State of Oregon (the “Port”), and the Seller, the Port granted Seller the exclusive right to lease and develop certain real property commonly known as Cascade Station, located at the Portland International Airport in Portland, Oregon (“Cascade Station”).

B. Pursuant to that certain Assignment and Assumption of Certain Rights and Obligations under Master Development Agreement dated as of June 15, 1999, by and between Seller and the Cascade Station Development Company, LLC (“CSDC”), CSDC acquired the development and lease rights held by Seller under the Master Development Agreement, including the right to enter into up to twenty (20) ground leases covering, in the aggregate, the 117.5 developable acres of Cascade Station, each for an initial term expiring on June 30, 2084 (the “Initial Term”), with an option to extend for a period of fourteen (14) years to June 30, 2098 (the “Extension Term”), and the right to assign such ground leases, subject to obtaining the Port’s consent.

C. Pursuant to that certain Assignment of Ground Lease dated as of July 13, 2006, by and between the CSDC and Seller, Seller acquired the development and lease rights held by CSDC pursuant to a certain Ground Lease dated as of July 13, 2006, by and between the Port, as lessor, and CSDC, as lessee, which covers that portion of Cascade Station containing approximately 12.89 net acres of land and legally described on the attached Exhibit B-1 (“Parcel A”).

D. Subject to the terms and conditions set forth in this Agreement, Buyer wishes to acquire a leasehold estate (the “Leasehold Estate”) for the Initial Term (with rights to the Extension Term), in and to that portion of Parcel A containing approximately 8.0 net acres of land and legally described on the attached Exhibit B-2 (“GSA Parcel”). Buyer is a developer selected by GSA pursuant to a competitive solicitation issued by GSA to construct, develop and operate a build-to-suit office building on the GSA Parcel which shall be leased back to GSA for \_\_\_\_\_ years (“GSA Office Development”). The GSA Office Development is

initially anticipated to include (i) a 135,000 square foot office building which will have a setback of at least 100 feet from the boundaries of the GSA Parcel and (ii) a combination of surface parking and structured parking for a total of approximately 200 vehicles.

E. A Leasehold Estate shall be granted to Buyer pursuant to a Ground Lease in substantially the form attached as Exhibit C (with such changes thereto as may be required by the Port (whose approval is required)) (“Ground Lease”), to be entered into at the Closing by and between the Port, as ground lessor, and Seller, as ground lessee, and (ii) an assignment by Seller to Buyer of all of the ground lessee’s right, title, and interest in, to, and under the Ground Lease and an assumption by Buyer of all of the ground lessee’s duties, liabilities, and obligations in, to, and under such Ground Lease arising from and after the Closing Date (“Ground Lease Assignment”).

F. A current site plan for a portion of Cascade Station showing the GSA Parcel is attached as Exhibit B-3 (the “Site Plan”).

Agreements:

In consideration of the foregoing, the mutual covenants of the parties set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties, intending to be legally bound, agree as follows:

1. Purchase and Sale of Leasehold Estate.

1.1. Agreement to Purchase and Sell.

1.1.1. On the terms and subject to the conditions set forth in this Agreement, and in consideration of the payment and assumptions contemplated by Section 1.1.2, Seller agrees (i) to enter into the Ground Lease as ground lessee at Closing pursuant to and in accordance with the PDC Ground Lease Supplemental Agreement, and (ii) to assign to Buyer at Closing all of the ground lessee’s right, title, and interest in, to, and under the Ground Lease.

1.1.2. On the terms and subject to the conditions set forth in this Agreement, and in consideration of the assignments contemplated by clause (ii) of Section 1.1.1, Buyer agrees (i) to pay to Seller at Closing immediately available, good funds in the amount of Three Million Three Hundred Ten Thousand Five Hundred Sixty and No/100 Dollars (\$3,310,560.00) (the “Purchase Price”); and (ii) to assume all of the ground lessee’s duties, liabilities, and obligations in, to, and under the Ground Lease arising from and after the Closing Date.

1.2. Option Agreement.

1.2.1. A certain Cascade Station Parcel A Option Agreement dated as of October 31, 2007 (“Option Agreement”) and attached hereto as Exhibit D was previously executed by and between Seller and GSA whereby Seller granted to GSA an assignable option to purchase the Leasehold Estate in and to the GSA Parcel (“GSA Option”), subject to the

terms of this Agreement.

2. Pre-Closing Matters.

2.1. Title Matters.

2.1.1. Within fifteen (15) Business Days of the Effective Date, Seller, at Seller's expense, will shall cause the Title Company to deliver to Buyer a pro forma title policy addressed to Buyer with respect to the GSA Parcel ("Pro Forma Title Policy"), together with complete and legible copies of all documents of record relating to the exceptions to title set forth in the Pro Forma Title Policy (the "Title Documents"). Buyer acknowledges that Seller and GSA have previously agreed that the pro forma title insurance policy with respect to the GSA Parcel in the form attached as Exhibits E ("Pro Forma Title Policy") shall provide title insurance coverage to Buyer which shall be acceptable to Buyer in connection with the transaction contemplated under this Agreement. All exceptions to title set forth in the Pro Forma Title Policy are referred to herein as the "Permitted Exceptions."

2.1.2. In the event that, at any time after the Effective Date and prior to the Closing, Seller becomes aware of any exception to title to the GSA Parcel that is not set forth in the Pro Forma Title Policy and that will encumber the GSA Parcel after the Closing, Seller shall promptly (and in all events at least ten (10) Business Days prior to the scheduled Closing Date) cause the Title Company to deliver to Buyer a revised pro forma title insurance policy reflecting such new exception ("Revised Pro Forma Title Policy"), together with complete and legible copies of all documents of record relating to such exception. Within five (5) Business Days after receipt of any Revised Pro Forma Title Policy and the associated title documents, Buyer shall give notice to Seller identifying any of the new exceptions reflected therein to which Buyer objects. In the event Buyer fails to give any such notice within such five (5) Business Day period, Buyer shall be conclusively deemed not to object to any of such exceptions, the Revised Pro Forma Title Policy shall thereafter constitute the Pro Forma Title Policy with respect to the GSA Parcel in question for all purposes of this Agreement, and the new exception(s) shall be included in the Permitted Exceptions for the GSA Parcel.

2.1.3. In the event Buyer gives timely notice pursuant to Section 2.1.2 objecting to any new exception reflected in a Revised Pro Forma Title Policy, Seller shall give notice to Buyer within five (5) Business Days after receipt of Buyer's notice of objection if Seller is unwilling or unable to remove such exception from title to the GSA Parcel or otherwise cure such exception (which cure shall be reasonably acceptable to Buyer) prior to or at the Closing. To the extent that Seller does not give timely notice with respect to any exception to which Buyer has objected, Seller shall, at its sole expense, remove such exception from title to the GSA Parcel, or otherwise cure such exception, prior to or at the Closing. In the event Seller gives timely notice that it is unwilling or unable to remove or cure any exception to which Buyer has objected, Seller shall not be obligated to do so and Buyer shall be entitled to terminate this Agreement by notice to Seller given within five (5) Business Days after receipt of Seller's notice under this Section 2.1.3. In the event Buyer fails to give a timely notice of termination, Buyer shall be conclusively deemed to have accepted the exception to which it previously objected, the Revised Pro Forma Title Policy containing such exception shall thereafter constitute the Pro Forma Title Policy with respect to the GSA Parcel in question for all purposes of this Agreement, and such exception shall be included in the

Permitted Exceptions for the GSA Parcel.

2.2. Delivery of Certain Documents by Seller. Seller has previously delivered to Buyer (i) a copy of the Existing Environmental Assessment, (ii) copies of certain geotechnical surveys of Cascade Station prepared by GeoDesigns, Inc., and dated February 10, 1999, April 27, 2001, and September 8, 2004; and (iii) copies of the Plan District, the FONSI ROD, the NEPA Assessment, the Memorandum of Agreement, the Design Standards, the Restated CC&Rs, and the Development Limitations Declaration. Buyer acknowledges and agrees that neither Seller nor any of its representatives shall have any responsibility or liability whatsoever for the completeness or accuracy of any documents delivered to Buyer pursuant to this Agreement, that Seller is making no representation with respect to such documents, and that Buyer assumes and accepts the entire responsibility for interpreting and assessing the information provided and will rely solely on Buyer's own judgment in making Buyer's decision whether to purchase the Leasehold Estate.

2.3. Pre-Closing Access to the GSA Parcel.

2.3.1. From time to time prior to the Closing or the earlier termination of this Agreement, and upon reasonable prior notice from Buyer to Seller, Buyer and its agents, employees, contractors, consultants, and other representatives shall be entitled to access to the GSA Parcel at reasonable times for the purpose of conducting, at Buyer's sole cost and expense, any investigation or test reasonably related to Buyer's purchase of the Leasehold Estate or prospective use of the GSA Parcel, including environmental assessments and testing; provided that Buyer shall obtain Seller's consent through the issuance of an entry permit by Seller, before conducting any Phase 2 environmental investigation or other invasive testing of the GSA Parcel; provided further that in the event Buyer or any of its consultants intends to use any equipment more than thirty (30) feet in height in connection with any investigation of the GSA Parcel, Buyer shall give notice to the Port and shall, if required by the Port, submit a Form 7460-1 for approval by the FAA before placing or using any such equipment on the GSA Parcel. Buyer acknowledges that before giving its consent to any proposed Phase 2 environmental investigation or other invasive testing, Seller may be required to obtain the consent of the Port. Seller agrees to use its Diligent Efforts to obtain any such consent in a timely manner.

2.3.2. Buyer shall (i) indemnify, defend, and hold harmless Seller, the Port, and their respective successors, assigns, members, directors, officers, and employees from and against any and all Damages arising from or related to Buyer's activities on the GSA Parcel pursuant to this Section 2.3, except to the extent caused by the willful or negligent act or omission of Seller, the Port, or any of their respective agents, contractors, or employees; and (ii) promptly restore the GSA Parcel to its original condition in accordance with good engineering practices; and (iii) fully compensate Seller and the Port (as their respective interests may appear) for any physical damage to or any lien, encumbrance, or charge imposed on Cascade Station or the GSA Parcel and attributable to Buyer's activities pursuant to this Section 2.3. The provisions of this Section 2.3.2 shall survive the Closing or any termination of this Agreement and be fully enforceable thereafter.

2.4. Environmental Assessment.

2.4.1. Buyer acknowledges that the Port has previously approved use of the Existing Environmental Assessment as the “Takedown Audit” pursuant to the Ground Lease, subject to the Port’s approval of an update thereto dated not more than thirty (30) days prior to the Closing Date (the “Environmental Update”). Seller shall arrange, at its expense, for the firm that conducted the Existing Environmental Assessment to prepare the Environmental Update and shall deliver the Environmental Update to Buyer and the Port promptly upon receipt. The Existing Environmental Assessment and the Environmental Update are collectively referred to herein as the “Environmental Assessment.”

2.4.2. Buyer (i) acknowledges and agrees that the Environmental Assessment will serve as the baseline for certain presumptions regarding responsibility for environmental matters pursuant to the Ground Lease, and (ii) agrees to confirm such acknowledgement and agreement to the Port in writing at Closing upon Seller’s request.

2.5. Delivery of Certain Documents by Buyer.

2.5.1. At least ten (10) Business Days prior to the Closing Date, Buyer shall have delivered to GSA a copy of the Ground Lease referenced in Section 3.2.7, the GSA Ground Lease Supplemental Agreement (as defined in Exhibit A) and Lease Memorandum.

2.5.2. On or prior to the date on which Buyer elects to exercise GSA’s Option, Buyer shall have delivered to Seller (i) a certified copy of a resolution adopted by the governing body of Buyer authorizing the execution of such documents as shall be necessary to effect the purchase of the Leasehold Estate under the terms of this Agreement and perform the transactions contemplated herein and (ii) certified copies of all Buyer’s organizational documents, all in form and substance satisfactory to Seller.

3. Conditions to Closing.

3.1. Seller’s Conditions. Seller’s obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Seller in its discretion) of each of the following conditions:

3.1.1. All representations and warranties of Buyer set forth in this Agreement (considered collectively) and each such representation and warranty (considered individually) shall have been true and correct in all material respects as of the Effective Date and shall be true and correct in all material respects as of (i) the date on which Buyer elects to exercise GSA’s Option and (ii) the Closing Date, as if made on the Closing Date.

3.1.2. All of the material covenants and obligations that Buyer is obligated to perform or comply with pursuant to this Agreement (considered collectively) and each such covenant and obligation (considered individually) shall have been performed and complied with in all material respects.

3.1.3. Neither the consummation of this transaction nor the performance of Seller's obligations hereunder shall, directly or indirectly (with or without notice, lapse of time, or both), contravene, conflict with, or result in a violation of any applicable Legal Requirement that has been enacted, or applicable Order that has been entered, since the Effective Date.

3.1.4. (i) On or before the Outside Closing Date, the Port shall have accepted the Environmental Assessment as the "Takedown Audit" pursuant to the Ground Lease, and (ii) the Environmental Update shall not have revealed any environmental remediation required to be undertaken on the GSA Parcel.

3.1.5. On or before the Option Termination Date, Buyer shall have issued notice to Seller in the manner provided in Section 19 of the Option Agreement notifying Seller that Buyer elects to exercise the GSA Option subject to the terms of this Agreement.

3.1.6. On or before the Outside Closing Date, GSA and Buyer shall have executed and delivered such documentation as shall be necessary to evidence, to the satisfaction of Seller, (i) the valid and legal assignment by GSA to Buyer of GSA's rights and interests under the Option Agreement, (ii) the commitment on the part of Buyer to commence construction of the GSA Office Development on the GSA Parcel within 120 days following the Outside Closing Date and (iii) the unconditional legal commitment on the part of Buyer to lease the GSA Office Development to GSA for a term of \_\_\_\_\_ years commencing on \_\_\_\_\_, 20\_\_\_\_.

3.1.7. On or before the Outside Closing Date, the Port shall have (i) executed and delivered the Ground Lease and the Lease Memorandum, and (ii) evidenced its consent to the assignment by Seller of the ground lessee's interest in the Ground Lease to Buyer by its execution and delivery of the Ground Lease Assignment and the Consent to Assignment at Closing.

3.1.8. On or before the Closing Date, the Port shall have executed and acknowledged the Development Limitations Declaration with respect to the GSA Parcel in substantially the form attached as Exhibit L (with such changes thereto as may be required by the Port and are reasonably acceptable to Seller and Buyer) ("GSA Development Limitations Declaration") and delivered it to Seller or the Escrow Agent for recordation at the Closing.

3.1.9. At least two (2) Business Days prior to the Closing Date, GSA shall have provided notice to both Buyer and Seller that GSA has completed its review of the Ground Lease, the GSA Ground Lease Supplemental Agreement and the Lease Memorandum, each of which shall have been delivered by Buyer pursuant to Section 2.5.1. In the event GSA fails to provide notice within the time period set forth above in this Section 3.1.9, GSA shall be conclusively deemed to have completed its review of such documentation.

3.2. Buyer's Conditions. Buyer's obligation to close this transaction shall be subject to and contingent upon the satisfaction (or waiver by Buyer in its discretion) of each of the following conditions:

3.2.1. All representations and warranties of Seller set forth in this

Agreement (considered collectively) and each such representation and warranty (considered individually) shall have been true and correct in all material respects as of the Effective Date and shall be true and correct in all material respects as of the Closing Date, as if made on the Closing Date.

3.2.2. All of the material covenants and obligations that Seller is obligated to perform or comply with pursuant to this Agreement (considered collectively) and each such covenant and obligation (considered individually) shall have been performed and complied with in all material respects.

3.2.3. Neither the consummation of this transaction nor the performance of Buyer's obligations hereunder shall, directly or indirectly (with or without notice, lapse of time, or both), contravene, conflict with, or result in a violation of any applicable Legal Requirement that has been enacted, or applicable Order that has been entered, since the Effective Date.

3.2.4. Buyer shall have determined in its sole discretion, based on such investigation as Buyer elects to conduct, that it wishes to proceed with its acquisition of the Leasehold Estate in accordance with this Agreement.

3.2.5. On or before the Outside Closing Date, the Port shall have executed and acknowledged the GSA Ground Lease Supplemental Agreement and delivered it to Buyer or the Escrow Agent for recordation at the Closing.

3.2.6. (i) On or before the Outside Closing Date, the Port shall have accepted the Environmental Assessment as the "Takedown Audit" pursuant to the Ground Lease, and (ii) the Environmental Update shall not have revealed any environmental remediation required to be undertaken on the GSA Parcel.

3.2.7. Any changes to the form of the Ground Lease attached as an exhibit to this Agreement which are required by the Port and which could reasonably be expected to have a material adverse effect on Buyer shall be reasonably satisfactory to Buyer. Buyer shall conclusively and irrevocably be deemed to have approved any such changes unless Buyer gives Seller notice of termination pursuant to this Section 3.2.7 within fifteen (15) Business Days after Buyer's receipt from Seller of a revised form of the Ground Lease reflecting any Port-required changes thereto. Any such notice of termination shall set forth in reasonable detail the reasons for Buyer disapproval of such changes.

3.2.8. On or before the Outside Closing Date, the Port shall have (i) executed and delivered the Ground Lease and the Lease Memorandum, and (ii) evidenced its consent to the assignment by Seller of the ground lessee's interest in the Ground Lease to Buyer by its execution and delivery of the Ground Lease Assignment and the Consent to Assignment at Closing.

3.2.9. Reserved.

3.2.10. On the Closing Date, Buyer shall have received from the Title Company an irrevocable commitment to issue the Title Policy as of the Closing Date.

3.2.11. There shall have been no material adverse change to the condition of the GSA Parcel since the Effective Date.

4. Closing.

4.1. Time and Place of Closing. The purchase and sale of the Leasehold Estate shall be closed in escrow at the Title Company, or at such other location as the parties may mutually agree. Subject to the satisfaction (or waiver) of the conditions set forth in Section 3 and the provisions of Section 7.1, the Closing shall take place at a mutually-acceptable time and on a mutually-acceptable date not later than the Outside Closing Date.

4.2. Seller's Closing Deliveries. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer the following:

4.2.1. The Ground Lease, duly executed by Seller, as lessee;

4.2.2. A Memorandum of Lease with respect to the Ground Lease in substantially the form attached as Exhibit F (with such changes thereto as may be required by the Port and are reasonably acceptable to Seller and Buyer) ("Lease Memorandum"), duly executed and acknowledged by Seller;

4.2.3. A Ground Lease Assignment with respect to the Ground Lease in substantially the form attached as Exhibit G (with such changes thereto as may be required by the Port and are reasonably acceptable to Seller and Buyer), duly executed by Seller;

4.2.4. A Consent to Assignment with Release with respect to the Ground Lease in substantially the form attached as Exhibit H (with such changes thereto as may be required by the Port and are reasonably acceptable to Seller and Buyer) ("Consent to Assignment"), duly executed by Seller;

4.2.5. A Memorandum of Lease Assignment with respect to the Ground Lease in the form attached as Exhibit I ("Lease Assignment Memorandum"), duly executed and acknowledged by Seller; and

4.2.6. Reserved.

4.3. Buyer's Closing Deliveries. At the Closing, Buyer shall deliver, or cause to be delivered, to Seller the following:

4.3.1. The Purchase Price by wire transfer of immediately available, good funds to the Escrow Agent; and

4.3.2. The Ground Lease Assignment, the Consent to Assignment, the GSA Ground Lease Supplemental Agreement and the Lease Assignment Memorandum, each duly executed and, if required, acknowledged by Buyer.

4.4. Other Closing Matters.

4.4.1. Buyer shall pay at Closing or otherwise when due any and all

fees, security deposits, and other amounts of any nature whatsoever required to be paid to the Port pursuant to the Ground Lease; provided that Seller shall pay at Closing the following fees and costs: \_\_\_\_\_.

4.4.2. Any and all assessments on the GSA Parcel shall be prorated between Seller and Buyer as of the Closing Date. If the information necessary to prorate any such assessment is not available on the Closing Date, the parties shall prorate such assessment as soon thereafter as such information is available.

4.4.3. At the Closing, the parties shall direct the Title Company to record the Lease Memorandum, the Lease Assignment Memorandum and the GSA Development Limitations Declaration.

4.5. Closing Costs. The costs associated with the Closing shall be allocated as follows:

4.5.1. Seller shall pay (i) one-half of any escrow fee charged by the Escrow Agent in connection with this transaction, (ii) the recording fees for the Lease Memorandum and the GSA Development Limitations Declaration, and (iii) that portion of the premium for the Title Policy which equals the premium that would have been charged for standard, rather than extended, coverage with no endorsements.

4.5.2. Buyer shall pay (i) one-half of any escrow fee charged by the Escrow Agent in connection with this transaction, (ii) the recording fees for the Lease Assignment Memorandum, and (iii) the premium for the Title Policy, to the extent it exceeds the amount described in clause (iii) of Section 4.5.1.

5. Representations and Warranties.

5.1. Seller's Representations and Warranties. Seller represents and warrants to Buyer as follows:

5.1.1. Organization and Good Standing. Seller is the duly authorized urban renewal agency of the City of Portland, Oregon, a municipal corporation of the State of Oregon.

5.1.2. Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms. Upon their execution and delivery by Seller at the Closing, the Seller Closing Documents will constitute the legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Seller has full power, authority, and capacity to execute and deliver this Agreement and the Seller Closing Documents and to perform its obligations hereunder and thereunder.

(b) Upon obtaining the consent of the Port to the assignment of the ground lessee's interest in the Ground Lease, neither Seller's execution and delivery of this Agreement, nor its performance of any of its obligations hereunder, nor the

consummation of this transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene or result in a violation of any resolution adopted by Seller's governing body; or (ii) contravene or result in a violation of any Legal Requirement or Order to which Seller is subject; or (iii) contravene or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, any agreement or other document to which Seller is a party or by which Seller is bound.

(c) Other than the consent of the Port to the assignment of the ground lessee's interest in the Ground Lease, no authorization, consent, or approval of, filing or registration with, or notification to any Governmental Authority is required for Seller's execution, delivery, and performance of its obligations under this Agreement or the closing of this transaction.

5.1.3. Certain Proceedings. No Proceeding is pending or, to Seller's Knowledge, has been Threatened (i) against Seller that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction, or (ii) with respect to a condemnation of all or any portion of the GSA Parcel.

5.1.4. Hazardous Substances. To Seller's Knowledge, based solely upon the Existing Environmental Assessment and except as may be otherwise disclosed therein, (i) no Hazardous Substances have been stored or disposed of on the GSA Parcel in violation of any applicable Environmental Law, and (ii) no Governmental Authority has given written notice to Seller requiring the clean-up or remediation of any Hazardous Substance on the GSA Parcel.

5.1.5. Reserved.

5.2. Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows:

5.2.1. Organization and Good Standing. Buyer is a \_\_\_\_\_ duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. Buyer is duly qualified to do business as a foreign corporation in the State of Oregon..

5.2.2. Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon their execution and delivery by Buyer at the Closing, the Buyer Closing Documents will constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms. Buyer has full power, authority, and capacity to execute and deliver this Agreement and the Buyer Closing Documents and to perform its obligations hereunder and thereunder.

(b) Neither Buyer's execution and delivery of this Agreement, nor its performance of any of its obligations hereunder, nor the consummation of this

transaction will, directly or indirectly (with or without notice, lapse of time, or both), (i) contravene or result in a violation of any provision of any charter, bylaws, other organizational documents or any resolution adopted by Buyer's governing body; or (ii) contravene or result in a violation of any Legal Requirement or Order to which Buyer is subject; or (iii) contravene or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, any agreement or other document to which Buyer is a party or by which Buyer is bound.

(c) No authorization, consent, or approval of, filing or registration with, or notification to any Governmental Authority is required for Buyer's execution, delivery, and performance of its obligations under this Agreement or the closing of this transaction.

5.2.3. Certain Proceedings. No Proceeding is pending or, to Buyer's Knowledge, has been Threatened, against Buyer that challenges, or could reasonably be expected to have the effect of preventing, making illegal, or otherwise materially interfering with, this transaction.

5.3. Reserved.

5.4. Renewal and Survival of Representations and Warranties. Each of the representations and warranties set forth in Sections 5.1 and 5.2 shall be deemed renewed as of the Closing Date and shall survive the Closing, subject to the provisions of Section 8.3.

5.5. "AS IS" Transaction.

5.5.1. As a material inducement to Seller to enter into this Agreement and to consummate this transaction, Buyer acknowledges and agrees that it is not relying upon any representations or warranties by or of Seller, except the representations and warranties of Seller expressly set forth in Section 5.1.

5.5.2. Without limiting the generality of the provisions of Section 5.5.1, but subject to the representations and warranties of Seller expressly set forth in Section 5.1, Buyer acknowledges and agrees as follows:

(a) Buyer will conduct all investigations, inspections, studies, tests, and analyses that it wishes to conduct with respect to the GSA Parcel. In entering into this Agreement and consummating this transaction, Buyer is relying solely on its own investigation and is assuming the risk that adverse physical, economic, or other conditions or circumstances may not have been revealed by its investigation.

(b) NEITHER SELLER NOR ANY OF ITS REPRESENTATIVES MAKES OR HAS MADE ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE GSA PARCEL, INCLUDING THE FEASIBILITY AND LIKELY ECONOMIC CONSEQUENCES OF ANY SALE OR DEVELOPMENT OF THE GSA PARCEL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY

WARRANTY WHATSOEVER, WHETHER STATUTORY OR OTHERWISE AND WHETHER EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE GSA PARCEL (OR ANY PORTION THEREOF).

(c) ON CLOSING, BUYER WILL ACCEPT THE GROUND LESSEE'S INTEREST IN THE GSA PARCEL "AS IS," "WHERE IS," AND "WITH ALL FAULTS." Without limiting the generality of the foregoing, on Closing, Buyer will accept the condition of the GSA Parcel "AS IS" and agrees to acknowledge such acceptance to the Port in writing upon Seller's request.

5.6. Indemnity. Subject to (i) applicable statutory and constitutional limitations on indemnification obligations of governmental entities and (ii) the provisions of Section 8.3, each party (for purposes of this Section 5.6, the "Indemnitor") agrees to pay, indemnify, defend, and hold harmless the other party (for purposes of this Section 5.6, the "Indemnitee") from and against any and all Damages incurred by the Indemnitee and arising out of any Breach of any representation and warranty of the Indemnitor contained in this Section 5.

6. Reserved.

7. Termination; Remedies.

7.1. Termination Events. In addition to Buyer's right to terminate this Agreement pursuant to Section 2.1.3, either party may, by notice given to the other party prior to or at the Closing, terminate this Agreement (i) upon a Breach by the other party, or (ii) in the event the Closing has not occurred by the Outside Closing Date, unless the Closing has not occurred by the Outside Closing Date due to a Breach by the party seeking to terminate this Agreement. Any notice of termination shall specify the grounds for termination with reasonable specificity.

7.2. Effect of Termination. If this Agreement is terminated pursuant to any provision hereof, all further rights and obligations of the parties under this Agreement shall thereupon terminate, except as otherwise expressly provided herein.

7.3. Seller Liability for Pre-Closing Breach or Failure to Close. Notwithstanding any other provision of this Agreement or applicable law, in the event this Agreement is terminated by Buyer due to (i) a Breach by Seller of any obligation hereunder occurring prior to Closing, (ii) a Breach of any representation or warranty of Seller set forth herein, or (iii) a failure by Seller to close this transaction as provided herein after the satisfaction or waiver of all conditions to its obligation to do so, Buyer, as its sole remedy, shall be entitled to seek specific performance of this Agreement. In no event shall Seller have any liability to Buyer for Damages on account of any such pre-Closing Breach, Breach of representation or warranty, or failure to close.

7.4. Buyer Liability for Pre-Closing Breach or Failure to Close. Notwithstanding any other provision of this Agreement or applicable law, in the event this

Agreement is terminated by Seller due to a failure by Buyer to close this transaction as provided herein after the satisfaction or waiver of all conditions to its obligation to do so, Seller, as its sole remedy, shall be entitled to seek specific performance of this Agreement. In no event shall Buyer have any liability to Seller for Damages on account of any pre-Closing Breach or any such failure to close.

7.5. No Consequential Damages. Notwithstanding any other provision of this Agreement or applicable law, in no event shall any party be liable hereunder or in connection with this transaction for punitive, consequential, special, incidental, or indirect damages, including damages based on lost profits or lost benefit of the bargain.

8. Miscellaneous Provisions.

8.1. Construction and Interpretation.

8.1.1. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. References herein to sections are to sections of this Agreement unless otherwise specified.

8.1.2. Meanings of defined terms used in this Agreement are equally applicable to singular and plural forms of the defined terms. The masculine gender shall also include the feminine and neutral genders and vice versa.

8.1.3. As used herein, (i) the term “party” refers to a party to this Agreement, unless otherwise specified, (ii) the term “this transaction” means the transactions contemplated by this Agreement, (iii) the terms “hereof,” “herein,” “hereunder,” and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement, (iv) the term “including” is not limiting and means “including, without limitation,” (v) the term “documents” means all instruments, documents, agreements, certificates, indentures, notices, and other writings, however evidenced, (vi) the term “property” means any kind of property or asset, real, personal, or mixed, tangible or intangible, and (vii) the term “discretion” means sole, absolute, and unfettered discretion.

8.1.4. In the event any period of time specified in this Agreement ends on a day other than a Business Day, such period shall be extended to the next following Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

8.1.5. All dollar amounts herein are expressed in United States currency.

8.1.6. This Agreement is the product of arm’s length negotiations among, and has been reviewed by counsel to, the parties and is the product of all of the parties. Accordingly, this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

8.2. Time of Essence. Time is of the essence of the performance of the parties' respective obligations under this Agreement

8.3. Survival. All provisions of this Agreement that contemplate performance after the Closing Date shall survive the Closing and be fully enforceable thereafter; provided, however, that no claim may be made against either party for a Breach of any representation or warranty of that party set forth herein, unless such claim is duly asserted by the other party in writing with reasonable particularity within one (1) year after the Closing Date. In the event that either party receives notice of a claim or demand or anticipates that it may incur any Damages with respect to which it may be entitled to indemnification pursuant to Section 5.6, such party shall provide prompt notice to the other party setting forth any information then available regarding the nature and basis of such claim, demand, or Damages.

8.4. Expenses. Each party shall bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the consummation of this transaction, including all fees and expenses of its representatives and any brokerage or finders' fees or commissions or any other similar payment in connection with this transaction. Notwithstanding the foregoing provisions of this Section 8.4, Seller agrees to pay to Jones Lang LaSalle, \_\_\_\_\_, \_\_\_\_\_, GSA's broker in connection with this transaction, a commission equal to one-half of the total brokerage commission owing by Seller to Grubb & Ellis Company in the amount of five percent (5%) of the Purchase Price upon consummation of the transaction contemplated by this Agreement.

8.5. Attorneys' Fees. If a suit, action, or other Proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted, or the services of an attorney are retained, in connection with this Agreement or any document delivered by either party at the Closing, or to interpret or enforce any rights or remedies hereunder or thereunder, or with respect to any dispute hereunder or thereunder, the prevailing party shall be entitled to recover from the losing party the prevailing party's attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of a suit, action, or other Proceeding, such amount shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

8.6. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and, subject to the restrictions on assignment set forth herein, their respective successors and assigns.

8.7. Assignment. Subject to satisfaction of all applicable conditions set forth in this Section 8.7, Buyer shall be entitled to assign its rights under this Agreement only to an Affiliate of Buyer, if and only if (i) Buyer provides Seller with a true, correct, and complete copy of the document effecting such assignment by not later than the Closing Date and (ii) Buyer obtains the prior written consent of GSA to such assignment, the consent of which shall not be unreasonably withheld. Buyer shall cause to be delivered to GSA all documentation as shall be deemed reasonably necessary for GSA to confirm that such assignment of Buyer's rights under this Agreement shall be made to an Affiliate of Buyer ("Affiliate Documents"). Within fifteen (15) Business Days following GSA's receipt of such Affiliate Documents, GSA



Auburn, WA 98001-6599  
Attn: James A. Coffelt, Contracting Officer

With a copy to:

8.9. Waiver. Any party's failure to exercise any right or remedy under this Agreement, delay in exercising any such right or remedy, or partial exercise of any such right or remedy shall not constitute a waiver of that or any other right or remedy hereunder. A waiver of any Breach of any provision of this Agreement shall not constitute a waiver of any succeeding Breach of such provision or a waiver of such provision itself. No waiver of any provision of this Agreement shall be binding on a party unless it is set forth in writing and signed by such party.

8.10. Amendment. This Agreement may not be modified or amended except by the written agreement of all of the parties.

8.11. Severability. If any provision of this Agreement is held invalid, illegal, or unenforceable, then (i) such provision shall be enforceable to the fullest extent permitted by applicable law, and (ii) the validity and enforceability of the other provisions of this Agreement shall not be affected and all such provisions shall remain in full force and effect.

8.12. Integration. This Agreement, including any Exhibits and Schedules hereto, and the Option Agreement contain the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements with respect thereto. The parties acknowledge and agree that there are no agreements or representations relating to the subject matter of this Agreement, either written or oral, express or implied, that are not set forth in this Agreement or in any Exhibit or Schedule to this Agreement or the Option Agreement.

8.13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon (without regard to the principles thereof relating to conflicts of laws).

8.14. Jurisdiction and Venue. Any suit or action to enforce or interpret any provision of this Agreement or in connection with any controversy relating to this transaction shall be brought in the Circuit Court of the State of Oregon for Multnomah County or in the U.S. District Court for the District of Oregon located in Multnomah County, Oregon, and such courts shall have exclusive jurisdiction with respect to any such suit or action. Each party irrevocably consents to such exclusive jurisdiction and waives any and all objections it might otherwise have with respect thereto.

8.15. Execution. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same agreement. Each party may rely upon the signature of any other party on this Agreement that is transmitted by facsimile as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with the original ink signature of the transmitting party.

8.16. Incorporation of Recitals, Exhibits, and Schedules. The recitals to this Agreement and any and all Exhibits and Schedules to this Agreement are incorporated herein by this reference.

8.17. Conflicting Provisions. In the event of any conflict between the provisions of this Agreement and the provisions of the Option Agreement, the provisions of this Agreement shall control.

8.18. Further Assurances. Each party agrees to execute and deliver such additional documents as may reasonably be required to effect this transaction fully, as long as the terms thereof are consistent with the terms of this Agreement.

**[Remainder of page intentionally left blank;  
signature page follows]**

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

Seller: PORTLAND DEVELOPMENT  
COMMISSION, the duly authorized urban  
renewal agency for the City of Portland,  
Oregon, a municipal corporation of the State  
of Oregon

APPROVED AS TO  
FORM:

By: \_\_\_\_\_  
PDC Legal Counsel

By: \_\_\_\_\_  
Bruce A. Warner, Executive Director

Buyer: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

	ACKNOWLEDGED BY:	UNITED STATES OF AMERICA, acting by and through General Services Administration
		By: _____
		James A. Coffelt, Contracting Officer

### Exhibit List

- Exhibit A - Definitions
- Exhibit B-1 - Legal Description – Parcel A
- Exhibit B-2 - Legal Description – GSA Parcel
- Exhibit B-3 - Site Plan
- Exhibit C - Form of Ground Lease
- Exhibit D - Option Agreement
- Exhibit E - Pro Forma Title Policy – GSA Parcel
- Exhibit F - Form of Lease Memorandum
- Exhibit G - Form of Ground Lease Assignment
- Exhibit H - Form of Consent to Assignment
- Exhibit I - Form of Lease Assignment Memorandum
- Exhibit J - Form of GSA Ground Lease Supplemental Agreement
- Exhibit K - PDC Ground Lease Supplemental Agreement
- Exhibit L - Form of GSA Development Limitations Declaration

**EXHIBIT A**

**DEFINITIONS**

As used in this Agreement, the following terms have the respective meanings set forth below:

“Affiliate” means, when used with reference to a specific Person, (i) any Principal of such Person, (ii) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (iii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, and (iv) any relative or spouse of such Person or of any Principal of such Person.

“Affiliate Documents” has the meaning set forth in Section 8.7 of this Agreement.

“Agreement” has the meaning set forth in the preamble.

“Breach” means any material inaccuracy in or breach of, or any material failure to perform or comply with, any representation, warranty, covenant, obligation, or other provision of this Agreement or any document delivered pursuant to this Agreement; *provided, however*, that except with respect to a failure to close this transaction as provided herein, a Breach shall not be deemed to have occurred as a result of a party’s failure to perform or comply with any covenant, obligation, or other provision of this Agreement unless (i) either of the other parties has given such party notice specifying the nature of such failure of performance or compliance in reasonable detail, and (ii) such party either (a) has failed to cure such failure of performance or compliance within twenty (20) Business Days after such notice is given, or (b) if such failure of performance or compliance cannot be cured solely by the payment of money and cannot reasonably be cured within twenty (20) Business Days despite the exercise of Diligent Efforts, has failed to commence curative action within twenty (20) Business Days after such notice is given or thereafter fails to use Diligent Efforts to complete the cure of such failure of performance or compliance as soon as practicable.

“Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks in Portland, Oregon, are authorized or required by applicable Legal Requirements to be closed.

“Buyer” has the meaning set forth in Recital D.

“Buyer Closing Documents” means the documents to be executed and delivered by Buyer at the Closing pursuant to Section 4.

“Buyer’s Knowledge” means the actual and present knowledge of \_\_\_\_\_, without investigation or inquiry

“Cascade Station” has the meaning set forth in Recital A.

“City” means the City of Portland, Oregon.

“Closing” means the closing of this transaction, at which the events set forth in

Sections 4.2 through 4.4 shall occur.

“Closing Date” means the date on which the Closing occurs.

“Consent to Assignment” has the meaning set forth in Section 4.2.4.

“CSDC” has the meaning set forth in Recital B.

“Damages” means all losses, liabilities, claims, damages, expenses (including costs of investigation and defense and reasonable attorneys’ fees), and diminution of value, whether or not involving a third-party claim, except to the extent, if any, that any such losses, liabilities, claims, damages, expenses, or diminution in value are recovered through insurance proceeds actually received (net of any costs incurred in connection therewith, whether through retrospective premium adjustments, experience-based premium adjustments, or otherwise); *provided, however*, that Damages shall in no event include punitive, consequential, special, incidental, or indirect damages, including damages based on lost profits or lost benefit of the bargain.

“Design Standards” means the Declaration of Design and Development Standards for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128370.

“Development Limitations Declaration” means that certain Declaration of Development Rights and Limitations for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128372, as supplemented by that certain Supplement No. 1 to Declaration of Development Rights and Limitations for Cascade Station dated as of December 21, 2006 and recorded on December 21, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-235128.

“Diligent Efforts” means the commercially reasonable efforts that a prudent Person who wishes to achieve a result would use in similar circumstances to achieve such result as expeditiously as reasonably possible, taking cost and expected benefit into account.

“Effective Date” has the meaning set forth in the preamble.

“Environmental Assessment” has the meaning set forth in Section 2.4.1.

“Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Water Pollution Control Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Emergency Planning and Community Right-to-Know Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, and any substantively similar state or local statutes, in each case as amended.

“Environmental Update” has the meaning set forth in Section 2.4.1.

“Escrow Agent” means the Title Company, in its capacity as escrow agent with respect to this transaction.

“Existing Environmental Assessment” means the existing environmental assessment for Cascade Station prepared by GeoDesigns, Inc. and dated June 27, 2006.

“Extended Option Termination Date” means a date no later than 12:00 p.m. Eastern Standard Time on February \_\_\_\_, 2008.

“Extension Term” has the meaning set forth in Recital B.

“FAA” means the Federal Aviation Administration.

“FONSI ROD” means that certain Finding of No Significant Impact Record of Decision for the Proposed Cascade Station/Portland International Center at Portland International Airport, Portland, Oregon, issued by the FAA on May 5, 2006.

“Governmental Authority” means any national, federal, state, provincial, county, municipal, or local government, or the government of any political subdivision of the any of the foregoing, or any entity, authority, agency, ministry, or other similar body exercising executive, legislative, judicial, regulatory, or administrative authority or functions of or pertaining to the government, including any quasi-governmental entity established to perform any such functions.

“Ground Lease” has the meaning set forth in Recital E.

“Ground Lease Assignment” has the meaning set forth in Recital E.

“GSA Development Limitations Declaration” means that certain Supplement No. \_\_\_\_ to Declaration of Development Rights and Limitations for Cascade Station to be executed and acknowledged by the Port in substantially the form attached hereto as Exhibit L for the purpose of subjecting the GSA Parcel to certain development rights and limitations pursuant to Section 2.4 of that certain Declaration of Development Rights and Limitations for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128372.

“GSA Ground Lease Supplemental Agreement” means that certain Ground Lease Supplemental Agreement to be executed by and between the Buyer and the Port in substantially the form attached hereto as Exhibit J.

“GSA Office Development” has the meaning set forth in Recital D.

“GSA Option” has the meaning set forth in Section 1.2.1.

“GSA Parcel” has the meaning set forth in Recital D.

“Hazardous Substance” means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof

or synthetic substitutes therefor and asbestos or asbestos-containing materials.

“Indemnitee” has the meaning set forth in Section 5.6.

“Indemnitor” has the meaning set forth in Section 5.6.

“Initial Term” has the meaning set forth in Recital B.

“Lease Assignment Memorandum” has the meaning set forth in Section 4.2.5.

“Lease Memorandum” has the meaning set forth in Section 4.2.2.

“Leasehold Estate” has the meaning set forth in Recital D.

“Legal Requirement” means any federal, state, local, municipal, foreign, international, multinational, or other administrative Order, constitution, law, ordinance, principle of common law, regulation, rule, statute, or treaty.

“Master Development Agreement” has the meaning set forth in Recital A.

“Memorandum of Agreement” means that certain Memorandum of Agreement between the Port of Portland and the Federal Aviation Administration on the Use of Approach Land between 28L and I-205 Purchased with the Aid of Federal Funds dated as of March 16, 1999, as amended by those certain amendments thereto dated as of February 11, 2000, February 20, 2001, and May 16, 2006.

“NEPA Assessment” means that certain Final Environmental Assessment-Proposed Cascade Station/Portland International Center at Portland International Airport dated May 2006.

“Option Agreement” means that certain Cascade Station Parcel A Option Agreement dated as of October 31, 2007, by and between Seller, as optionor, and GSA, as optionee.

“Option Termination Date” means the earlier of: (i) the date on which Seller terminates the GSA Option pursuant to the terms of Section 3 of the Option Agreement, (ii) the date on which GSA or Buyer, as applicable, terminates the GSA Option pursuant to the terms of Section 5 of the Option Agreement, (iii) the date on which the GSA Option terminates for failure of GSA or Buyer, as applicable, to exercise the GSA Option pursuant to the terms of Section 12 of the Option Agreement, or (iv) the later of (A) 12:00 p.m. Eastern Standard Time on October 31, 2008 or (B) 12:00 p.m. Eastern Standard Time on the Extended Option Termination Date if Seller and GSA or Buyer, as applicable, mutually agree to extend the termination date of the GSA Option in accordance with the terms of Section 3 of the Option Agreement.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator or mediator.

“Outside Closing Date” means January 31, 2009; *provided, however*, that either party

shall be entitled to extend the Outside Closing Date if and to the extent required (i) to obtain the Port's approval of the Environmental Assessment as the "Takedown Audit" pursuant to the Ground Lease, (ii) to obtain the Port's consent to the assignment of the lessee's interest in the Ground Lease to Buyer, or (iii) for the Port to execute and deliver the GSA Ground Lease Supplemental Agreement and the documents described in Sections 3.1.7 and 3.2.8.

"Parcel A" has the meaning set forth in Recital C.

"PDC Ground Lease Supplemental Agreement" means that certain Ground Lease Supplemental Agreement dated as of July 13, 2006, by and between Seller and the Port, and attached as Exhibit K.

"Permitted Exceptions" has the meaning set forth in Section 2.1.1.

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated organization or association, joint venture, or other organization, whether or not a legal entity, or a Governmental Authority.

"Plan District" means the Cascade Station/Portland International Center Plan District, Chapter 33.508 of the City Code, and all amendments thereto.

"Port" has the meaning set forth in Recital A.

"Principal" means the natural person or persons who are in ultimate control of a Person.

"Pro Forma Title Policy" has the meaning set forth in Section 2.1.1.

"Proceeding" means any action, arbitration, audit, hearing, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority, arbitrator, or mediator.

"Purchase Price" has the meaning set forth in Section 1.1.2.

"Restated CC&Rs" means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cascade Station dated as of July 13, 2006 and recorded on July 13, 2006 in the Official Records of Multnomah County, Oregon, Recording No. 2006-128369.

"Revised Pro Forma Title Policy" has the meaning set forth in Section 2.1.2.

"Seller" has the meaning set forth in the preamble.

"Seller Closing Documents" means the documents to be executed and delivered by Seller at the Closing pursuant to Section 4.

"Seller's Knowledge" means the actual and present knowledge of S. Bruce Allen, without investigation or inquiry.

"Site Plan" has the meaning set forth in Recital F.

“Threatened” means, with respect to a claim, Proceeding, dispute, action, or other matter, the making of any demand or statement (written or oral), the giving of any written notice, the occurrence of any event, or the existence of any circumstance that would lead a prudent Person to conclude that such claim, Proceeding, dispute, action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

“Title Company” means \_\_\_\_\_ in Portland, Oregon.

“Title Policy” means a standard coverage lessee’s policy of title insurance with respect to the GSA Parcel in the form of the Pro Forma Title Policy, with a coverage amount equal to the Purchase Price, insuring Buyer’s interest in the GSA Parcel as ground lessee under the Ground Lease, subject only to the standard printed exceptions to such policy, the Permitted Exceptions applicable to the GSA Parcel, and any liens or encumbrances created or suffered by Buyer.

# PDC

PORTLAND DEVELOPMENT COMMISSION

## Resolution Number 6576

TITLE: AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE GENERAL SERVICES ADMINISTRATION'S SELECTED DEVELOPER FOR THE SALE OF A LEASEHOLD INTEREST AT CASCADE STATION IN THE AIRPORT WAY URBAN RENEWAL AREA FOR \$3,310,560

Adopted by the Portland Development Commission on May 14, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mark Rosenbaum, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sal Kadri	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Regular Agenda		

### Certification

The undersigned hereby certifies that:

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

  
Renee A. Castilla, Recording Secretary

Date: June 5, 2008