

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7039

**AUTHORIZING THE DISPOSITION OF 0.59 ACRES OF REAL PROPERTY IN
THE RIVER DISTRICT URBAN RENEWAL AREA TO PEARL HOTEL
INVESTORS, LLC FOR \$142,000**

WHEREAS, the Portland Development Commission (“PDC”) is the owner of a 0.59 acre parcel, known as Station Place Lot 7, which is bounded by NW Lovejoy Court, NW 9th Avenue, NW Station Way, and United States Post Office Building (the “Property”);

WHEREAS, after acquisition, PDC improved the Property by constructing a 64-space paved surface parking lot;

WHEREAS, PDC received an offer from Pearl Hotel Investors, LLC (“PHI”), to purchase the Property at fair market value, to be utilized as an off-street parking facility for guests and visitors of a hotel to be developed by PHI located one block to the north of the Property;

WHEREAS, an appraisal commissioned by PDC determined the fair market value of the Property to be ONE HUNDRED AND FORTY-TWO THOUSAND DOLLARS (\$142,000) as of December 1, 2013;

WHEREAS, by separate actions, PHI intends to provide to the City of Portland (“City”) over \$800,000 to be used by the City to assist with providing a new location for Right To Dream Too (“R2D2”), a non-profit organization currently providing a rest area at NW 4th Avenue and W. Burnside Street; and

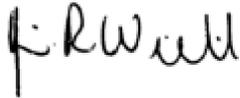
WHEREAS, PDC and PHI have negotiated a Purchase and Sale Agreement in the form attached hereto as Exhibit A (the “PSA”) to convey the Property for the purchase price of ONE HUNDRED AND FORTY-TWO THOUSAND DOLLARS (\$142,000).

NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners authorizes the Executive Director to execute the PSA upon confirmation that PHI and the City have reached an agreement, approved by City Council, to provide at least \$800,000 in funding to assist with providing a new location for R2D2 currently located at NW 4th Avenue and W. Burnside Street;

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 February 12, 2014

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

Gina Wiedrick, Recording Secretary

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7039

EXHIBIT A

**AUTHORIZING THE DISPOSITION OF 0.59 ACRES OF REAL PROPERTY IN
THE RIVER DISTRICT URBAN RENEWAL AREA TO PEARL HOTEL
INVESTORS, LLC FOR \$142,000**

Exhibit A includes this cover page and contains 30 pages:

- Agreement for Purchase and Sale of Property in the River District Urban Renewal Area between the Portland Development Commission and Pearl Hotel Investors, LLC
 - Exhibit A: Definitions
 - Exhibit B: Description of the Property
 - Exhibit C: Permit of Entry
 - Exhibit D: Form of Deed

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

IN THE RIVER DISTRICT URBAN RENEWAL AREA

between

THE PORTLAND DEVELOPMENT COMMISSION

and

PEARL HOTEL INVESTORS LLC

dated

February ____, 2014

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

(Lot 7)

This AGREEMENT FOR PURCHASE AND SALE OF PROPERTY (this “Agreement”) is made and entered this __ day of February 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 PEARL HOTEL INVESTORS LLC, an Oregon limited liability company (“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, and the River District Urban Renewal Plan, PDC acquired certain real property within the URA known as “Lot 7 of Station Place”, as more particularly described in Section 2.2 (the “Property”).
- B. Since acquisition, PDC has improved the property by, amongst other things, constructing a parking lot to meet the needs of future development in the area surrounding the Property.
- C. Buyer is the owner of a soon to be completed 223-room Marriott Residence Inn located at the corners of NW Ninth and NW Marshall in The Pearl District of Portland, Oregon. Both Buyer and PDC agree that the building of the hotel will stimulate the economic and physical vitality of the surrounding area. Buyer desires to purchase, and PDC desires to sell, the Property according to the terms and conditions of this Agreement. The Purchase Price shall be equal to the fair market value of the property, as improved, as determined by an appraisal.

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, 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, which is a glossary of defined terms not defined in the text of this Agreement.

If there is any difference between the definition of a defined term in the text of this

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Agreement for Purchase and Sale of Property – Lot 7 of Station Place

Agreement and a definition of that term in Exhibit A, the definition in the text controls. Defined terms may be used in the singular or the plural.

2. GENERAL TERMS OF CONVEYANCE

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

2.2. Description of the Property. The Property which is subject to this Agreement consists of the following: The land located beneath the Lovejoy Ramp and adjacent to Lovejoy Court and NW 6th Avenue in Portland, Oregon, and commonly known as “Lot 7 of Station Place”, as more particularly described in Exhibit B attached hereto (the “Land”), together with: (i) all rights, privileges, licenses, and easements appurtenant to the Land owned by PDC, including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on and under the Land, as well as development rights, air rights, water rights related to the Land, and any other easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Land; (ii) all improvements, equipment, fixtures or other personal property of every kind located on the Land, if any, including, without limitation all buildings and structures presently located on the Land, and (iii) any and all permits, warranties, intangible property and any other similar personal property assets owned by PDC with respect to the Land and the improvements thereon.

2.3. Earnest Money Deposit. Within two (2) Business Days of the Effective Date and subject to the terms of this Section 2.3, Buyer shall deposit with the Escrow Agent an amount equal to \$10,000.00 (the “Escrow Deposit”). The Escrow Deposit shall be fully refundable to Buyer, except as provided below. The Escrow Agent (as defined in Section 5.7.1) will invest the Escrow Deposit in a federally insured, interest-bearing account. The accrued interest will be treated as part of the Escrow Deposit and shall be disbursed pursuant to the terms of this Agreement and the Escrow Instructions. Except as contemplated in Sections 2.6, 2.7 and 13.4, if this Agreement is terminated by Buyer after the Due Diligence Period, PDC shall retain the Escrow Deposit as compensation for such termination by Buyer.

2.4. Purchase Price. The purchase price for the Property is One Hundred Forty-Two Thousand and No/100 Dollars (\$142,000.00) (the “Purchase Price”). The Escrow Deposit shall be applicable to the Purchase Price.

2.5. AS IS Sale. Prior to the Closing Date, Buyer will have examined and investigated or will have had the opportunity to examine and investigate the Property to its own satisfaction and will have formed its own opinion as to the condition (including environmental condition) and value thereof. Except for express statements contained in Section 3.1 or elsewhere in this Agreement, Buyer has not relied on any statements or representations from PDC or any person acting on behalf of PDC concerning any of the following: (i) the size or area of the Property; (ii) the location of corners or boundaries of the Property; (iii) the condition of the Property, including but not limited to, physical

or geotechnical properties above or below the surface of the Property or the Environmental Condition adjacent, above or below the surface of the Property (including without limitation releases or threatened releases of hazardous or regulated substances) or compliance with Environmental Laws and other governmental requirements; (iv) the availability of services to the Property; or (v) the ability of Buyer to use the Property or any portion thereof for any intended purpose. Except as set forth in Section 8.3, Buyer is acquiring the Property, in the condition existing at the time of Closing, AS IS, with all defects, if any. Except as set forth in Section 8.3 and for breach of any representation set forth in Section 3.1, Buyer waives, releases and forever discharges PDC and PDC's successors and assigns, of and from all claims, actions, causes of action, fines, penalties, damages (including consequential, incidental and special damages), costs (including the cost of complying with any judicial or governmental order), and expenses (including attorney fees), direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way growing out of or in connection with any physical characteristic or condition of the Property, including any surface or subsurface condition, or any law, rule or regulation applicable to the Property.

2.6. Access, Inspection and Due Diligence Materials

2.6.1. Access and Inspection. PDC has provided access to the Property to Buyer and 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 Materials. PDC has provided to Buyer: (a) a preliminary title report or reports covering the Property, and exception documents referenced in such report or reports (collectively, the "Title Report"), and (b) copies of all studies, reports, site analyses, engineers certificates, existing surveys, contracts, leases, licenses and permits with respect to the Property that PDC has in its possession, or that it has access to, including, without limitation: (i) all Environmental Due Diligence Reports and any other site analyses with respect to oil, asbestos, underground storage tanks, Hazardous Materials, lead paint, or lead plaster; or (ii) any reports regarding compliance with laws (including, but not limited to, ADA, zoning and all other land use matters) (collectively, the "Due Diligence Materials"). Notwithstanding the above, PDC represents only that the materials made available are all the Due Diligence Materials known to Dave Obern and Steve Blank, the two PDC employees with the greatest personal knowledge of the Property. PDC shall not be liable for failure to make available Due Diligence materials unknown to Mr. Obern and Mr. Blank.

2.6.3. Due Diligence Period. Buyer shall notify PDC no later than five (5) days after receipt of the Due Diligence Materials from Seller (the "Due Diligence Period") of the results of its due diligence. If 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. on the expiration of the Due Diligence Period, not to proceed with the transaction

contemplated herein, in which event this Agreement shall be null and void without recourse to either Party and the Escrow Deposit shall be refunded to Buyer within two (2) 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.

2.7. Title Review.

2.7.1. Buyer will have until the date that is five (5) days after the Effective Date 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 five (5) 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 until the Closing Date to terminate this Agreement by written notice to PDC. 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 Escrow Deposit shall be refunded to Buyer within two (2) 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 (the "Final Permitted Exceptions").

2.7.2. Notwithstanding anything to the contrary set forth in this Section 2.7, PDC shall remove from the Property at Closing all Monetary Liens showing on the Title Report or that arise or are brought to the attention of Buyer or PDC prior to or on February 13, 2014. As used in this Agreement, "Monetary Liens" means, collectively, (a) any deeds of trust and/or mortgages; (b) any judgment liens affecting the Property; (c) any other monetary liens of record against the Real Property other than for (i) local improvement district ("LID") assessments not levied or assessed as of the Effective Date, and (ii) for work performed by or at the direction of Buyer. PDC shall not cause or take any action that may result in any new Monetary Liens being levied or recorded against the Property prior to the Closing Date.

2.8. Title Insurance. Buyer will pay the cost of an 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. PDC agrees to execute any affidavits or other documents reasonably required by the Escrow Agent to enable Buyer to obtain extended title insurance coverage. Buyer may also elect to obtain a survey at its own expense.

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 transactions 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. No further consent of any creditor, investor, judicial or administrative body, governmental authority or other party is required.
- 3.1.2.** Except as has been disclosed to Buyer in the Environmental Due Diligence Reports and otherwise in Section 8 below, PDC has not generated, manufactured, refined, transported, treated, stored, handled, disposed, transferred, released or produced Hazardous Substances on or under the Property, and no underground storage tanks exist on the Property, except in compliance with Environmental Laws currently in effect.
- 3.1.3.** PDC has not received notice of the Release of any Hazardous Substances on the Property, and PDC received a no further action letter from DEQ (defined in Section 8 below) for remediation work conducted on the Property by PDC.
- 3.1.4.** PDC is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.
- 3.1.5.** There is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending, to PDC's knowledge, threatened, which may affect the Property or PDC's ability to perform its obligations under this Agreement, other than has been previously disclosed in writing to Buyer.
- 3.1.6.** To PDC's knowledge and except as otherwise disclosed in writing to Buyer before the Effective Date, during PDC's ownership of the Property, the Property has been operated in compliance with all applicable laws, rules, regulations, ordinances and other governmental requirements, including all environmental laws (collectively, "Laws").
- 3.1.7.** PDC has not received any notice stating that the Property is in violation of any applicable laws, rules, regulations, ordinances or other governmental requirements.
- 3.1.8.** To PDC's knowledge, utility connections are available to the Property.
- 3.1.9.** PDC is the legal and beneficial fee simple titleholder to the Property and the Property is free and clear of all liens, encumbrances, claims, covenants, conditions, restrictions, easements, rights of way, options, or judgments, except as disclosed by the Title Report.

- 3.1.10.** Except as previously disclosed to Buyer, 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. This Agreement and all documents required to be executed by PDC are and shall be valid, legally binding obligations of and enforceable against PDC in accordance with their terms.
- 3.1.11.** Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which PDC is a party.
- 3.1.12.** No representation or statement of PDC 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 not misleading.
- 3.1.13.** 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.

For the purposes of Section 3.1, the term “PDC’s knowledge” means that Dave Obern, Steve Blank and Eric Iverson believe the representation to be true.

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 a limited liability company duly formed and existing in the State of Oregon.
- 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.** Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Buyer is a party.
- 3.2.5.** 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, warranty or statement not misleading.
- 3.2.6.** Buyer enters into this Agreement without reliance on verbal representations by PDC, its employees, agents or consultants, regarding any aspect of the Property, the Project, its feasibility, financing, or compliance with any governmental regulation.
- 3.2.7.** 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 and agrees that between the Effective Date and Closing, PDC shall: (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 liens or other exceptions to title other than the Permitted Exceptions or any modification thereto; (iv) not lease, transfer, option, or convey its 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 or warranties 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.

4. CONDITIONS PRECEDENT TO CLOSING

- 4.1. Conditions.** Buyer and PDC are not obligated to proceed with the conveyance of the Property to the Buyer 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.

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

- (i) 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.
- (ii) No material adverse change in the physical or legal condition of the Property has occurred.
- (iii) Title Company is prepared to issue to Buyer the form of Title Insurance 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.
- (iv) PDC's Board has approved this Agreement and the transactions contemplated herein.
- (v) Any management agreement relating to the Property (*e.g.* a parking management agreement) shall have been terminated by a written agreement in form and substance reasonably satisfactory to Buyer or a termination notice shall be delivered by PDC to the Management Company on the Closing Date (the "Management Agreement Termination").

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 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.

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 (as extended or such later date, if any, designated pursuant to Section 4.2(c) below or determined in accordance with Section 4.3), 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. Final Termination Date. If all of the conditions precedent to the Closing set forth in Section 4 have not been satisfied or waived by the later of (a) the Closing Date or (b) such later date, if any, designated pursuant to Section 4.2(c), then this Agreement shall terminate thirty (30) days after written notice from the Party seeking termination unless the specified condition shall have been satisfied or waived and Closing shall have occurred within such 30-day period.

4.4. 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 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. If this Agreement terminates or is terminated for failure of fulfillment of the conditions precedent to the Closing and Buyer is not in default under this Agreement, then PDC shall refund to Buyer the Escrow Deposit. 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.

4.5. Post Closing Conditions. Following Closing, PDC agrees that, if requested by Buyer, it will (a) execute a written, recordable, termination of the Station Place Garage Parking Agreement between PDC and Buyer dated December 14, 2011 in form and substance reasonably satisfactory to Buyer, and (b) enter into an agreement with Station Place LLC

and SP Tower Limited Partnership the (the “SP Entities”), to provide the SP Entities with the right to use at least forty (40) spaces in the Station Place Garage. This Section 4.5 shall survive Closing for a period of ninety (90) days.

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. If 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 February 26, 2014 (the “Closing Date”); provided, however, that Buyer may elect to close at any time following approval of this Agreement by the Board, and PDC shall be obligated to so close so long as the conditions precedent set forth in Section 4.1.3 have been satisfied or waived.

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 Escrow Deposit 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”).

5.5. Documents to Be Deposited Into Escrow by PDC. On or before the Closing Date, PDC shall deposit with Escrow Agent 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. An original assignment of permits, warranties and intangibles in a form reasonably acceptable to both PDC and Buyer.

5.5.4. A certified copy of the Management Agreement Termination, duly executed by PDC and, if required, by the applicable management company.

5.5.5. 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.

5.5.6. 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 such funds (by wire transfer) as are necessary to complete payment of the Purchase Price less the amount of the Escrow Deposit and as adjusted for Buyer's share of the Closing costs and pro-rations as described in Section 5.7. Buyer shall also deposit 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 any documents required by Buyer to be recorded will be paid by Buyer. Buyer shall pay all escrow fees charged by Chicago Title Company (the "Escrow Agent"). The cost of Title Insurance 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). PDC agrees that any taxes, and assessments that relate to the Property and are owing as of the Closing, whether or not those taxes or assessment would constitute a lien against the Property at Closing, shall be satisfied by PDC. 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. Utilities. PDC shall cause all meters for electricity, at the Property 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.

5.7.4. Other Prorations and Costs. Except as otherwise provided herein, all other items to be prorated, including rents, operating expenses, revenues, and other income, if any, shall be prorated as of the Closing Date. For the purpose of calculating prorations, the Buyer shall be deemed to be entitled to the Property and, therefore, entitled to the income and responsibility for the expenses for the entire day following the Closing Date. PDC shall pay only the annual payments due through the Closing Date for the Property's pro rata share of any special assessments that

have been paid in annual installments. Buyer shall assume liability for payment of any annual payments due after the Closing Date for any special assessments that have been paid in annual installments. Buyer and the PDC shall each pay their own legal and professional fees of other consultants incurred by Buyer and PDC, respectively.

6. LAND CONDITION. [INTENTIONALLY OMITTED]

7. ACCESS TO PROPERTY

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.

8. ENVIRONMENTAL CONDITION OF THE PROPERTY AND PARTIES' RESPONSIBILITIES

8.1. Environmental Due Diligence Reports. [INTENTIONALLY OMITTED]

8.2. Phase I Environmental Site Assessment. During the Due Diligence Period, Buyer may cause completion of a Phase I Environmental Site Assessment of the Property in conformance with the ASTM E 1527-05 process in compliance with the United States Environmental Protection Agency "All Appropriate Inquiries" (40 CFR Part 312). Buyer shall provide a copy of the Phase I Environmental Site Assessment to PDC, promptly after Buyer's receipt thereof. If deemed desirable or necessary by Buyer, Buyer may cause completion of a Phase II environmental site assessment as part of Buyer investigations of the Property during the Due Diligence Period, provided that Buyer or its contractor has submitted to PDC a description of the scope of the Phase II and obtained PDC's consent. Buyer and its agents or contractors shall not conduct any investigation or assessment in a manner that would violate the existing Easement and Equitable Servitude recorded against the Property under Recording Number 2008-016449, and shall fully indemnify PDC for any costs and claims alleging any violation thereof as if such violation had occurred after Closing, in accordance with the indemnification set forth in Section 8.4 below.

8.3. PDC Remediation Work. PDC previously conducted environmental remediation work on the Property and obtained from the Oregon Department of Environmental Quality (the "DEQ") a no further action letter related to such work. Buyer acknowledges that an Easement and Equitable Servitude has been recorded against the Property, and agrees that it shall comply with the provisions and obligations therein upon and after Closing.

8.4. Indemnification. Buyer shall be responsible for compliance with all Environmental Laws applicable to the Property, Buyer's business and the operation of the Project from and after Closing, including but not limited to compliance with all restrictions, limitations, conditions and obligations imposed by DEQ pursuant to a no further action letter, underground storage tank closure letter or easement and equitable servitude applicable to the Property, if any. Buyer shall defend (at PDC's request), indemnify and hold harmless PDC, its successors and assigns, from and against all claims, costs,

{00214237;7}

Agreement for Purchase and Sale of Property – Lot 7 of Station Place

expenses, losses, damages, and liabilities, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by PDC, its successors or assigns, or asserted against PDC, its successors or assigns, by any other person or entity, including, without limitation, a governmental entity, arising out of or in connection with any Environmental Conditions resulting from the acts or omissions of Buyer from and after the Closing Date. The indemnity set forth in this Section 3 shall survive the Closing Date.

8.5. Contribution. The foregoing indemnity does not limit any rights of contribution that the Parties may have against others under applicable law or agreement. The indemnity is intended only as an allocation of responsibility between the Parties.

9. ASSIGNMENT AND TRANSFER PROVISIONS

9.1. Restrictions on Transfer of the Property and Assignment of the Agreement. Except as provided in this Section 9.1. and as provided in Section 9.2, Buyer shall not partially or wholly transfer Buyer's interest in this Agreement without the prior written approval of the PDC, which may be withheld in PDC's reasonable discretion.

9.2. Approved Transfers. Notwithstanding Section 9.1 above, and provided that Buyer provides PDC with copies of all agreements related to the transfer, PDC hereby consents to:

9.2.1. 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, limited partnership or corporation ultimately controlled by Homer G. Williams, T. B. Dame or both through ownership or management rights.

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

10. COMPLIANCE WITH PDC POLICIES

[Intentionally Omitted]

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

The following Sections of this Agreement shall survive and remain in effect for the periods identified herein: Section 2.5 (AS IS); Section 3 (REPRESENTATIONS); and Sections 8.2, 8.4 and 8.5 (INDEMNIFICATION).

12. MORTGAGEE PROTECTION PROVISIONS

[Intentionally Omitted]

13. DEFAULT AND REMEDIES

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Agreement for Purchase and Sale of Property – Lot 7 of Station Place

13.1. Default and Cure.

13.1.1. Default by Buyer.

- (a) 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 on or before the Closing Date.
- (b) 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 prior to the Closing Date.

13.1.2. 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 on or before the Closing Date

13.2. PDC's Remedies. In the event of a Buyer default under this Agreement, PDC, as its sole and exclusive remedy, may terminate this Agreement by written notice to Buyer and retain the Escrow Deposit. **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 ESCROW DEPOSIT PLUS ACCRUED INTEREST 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**

13.3. PDC's Post-Conveyance Remedies. [Intentionally Omitted]

13.4. Buyer's Remedies. If a PDC default (as described in Section 13.1.2) occurs, Buyer may, at its option: (i) terminate this Agreement by written notice to PDC without waiving any cause of action Buyer may have against PDC, in which event the Escrow Deposit shall be immediately returned to Buyer; (ii) specifically enforce the obligations of PDC under this Agreement; or (iii) seek monetary damages against PDC.

13.5. Nonexclusive Remedies. The rights and remedies provided by this Agreement shall not be deemed exclusive, except where otherwise indicated, and shall be in addition to any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or of any of its remedies for any other default by the other Party, including, without limitation, the right to compel specific performance. Any limitation of remedies set forth herein shall not limit or affect the obligations of a Party under any contractual indemnities set forth herein. Notwithstanding any other provisions of this Agreement, in no event shall either Party seek incidental, indirect, consequential or punitive damages or damages for

lost opportunity or lost profits from the breaching party in connection with the breaching party's default.

14. MISCELLANEOUS PROVISIONS

14.1. 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:

Pearl Hotel Investors LLC
Attn: Dike Dame
1308 NW Everett Street
Portland, OR 97209
Email: dike@wddcorp.com

With a copy to:

Radler White Parks & Alexander LLP
Attn: Dina Alexander
111 SW Columbia, Suite 1100
Portland, OR 97201
Email: dalexander@radlerwhite.com

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

Portland Development Commission
Attn: Real Estate Services Coordinator
222 NW 5th Ave.
Portland, OR 97209
Email: blanks@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 give by counsel to a Party.

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

14.2. Merger. Intentionally Omitted.

- 14.3. 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.
- 14.4. 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.
- 14.5. 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.
- 14.6. Attorneys' Fees.** 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 U.S. Bankruptcy Court, including those related to issues unique to bankruptcy law.
- 14.7. 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.
- 14.8. Calculation of Time.** 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.
- 14.9. 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.

14.10. 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.

14.11. 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.

14.12. Amendments and Modifications. Any modifications to this Agreement must be made in writing and executed by all Parties, with the approval of the Board, if required. Notwithstanding this general requirement, the PDC Executive Director may approve modifications to this Agreement without Board approval so long as no period of time is extended by more than 180 days and PDC's economic obligations are not materially increased. Any modifications to this Agreement made without the approval of the Board must include an acknowledgement by PDC's General Counsel that such approval is not necessary.

14.13. Successors and Assigns. Subject to the provisions of Section 9.1, 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.

14.14. 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.

14.15. Approval by PDC Executive Director. Except as provided for elsewhere in this Agreement, whenever consent or approval by PDC is required under the terms of this Agreement, all such consents or approvals shall be given in writing from the Executive Director of PDC or his or her designee.

14.16. Time of Essence. Time is of the essence of this Agreement.

14.17. 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.

14.18. Incorporation. The exhibits attached to this Agreement are incorporated into and made a part of this Agreement.

14.19. 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

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Agreement for Purchase and Sale of Property – Lot 7 of Station Place

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.

(Remainder of page intentionally left blank; signatures appear on the following page(s))

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:

Eric Iverson, General Counsel

BUYER:

PEARL HOTEL INVESTORS
an Oregon limited liability company

By: WDA Pearl Hotel Development LLC, an Oregon limited liability company

Its: Manager

By: _____

Printed Name: _____

Title: _____

EXHIBITS and SCHEDULES

Exhibit A.	Definitions
Exhibit B.	Description of the Property
Exhibit C.	Permit of Entry
Exhibit D.	Form of Deed

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 holidays in the State of Oregon.
4. **“Buyer”** has the meaning set forth in the introductory paragraph of this Agreement.
5. **“City”** means the municipal corporation of the City of Portland, Oregon and its constituent bureaus and agencies, except PDC.
6. **“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.
7. **“Closing Date”** has the meaning set forth in Section 5.2.1.
8. **“Deed”** has the meaning set forth in Section 5.4.
9. **“DEQ”** has the meaning set forth in Section 8.3.
10. **“Due Diligence Materials”** has the meaning set forth in Section 2.6.2.
11. **“Due Diligence Period”** has the meaning set forth in Section 2.6.3.
12. **“Effective Date”** has the meaning set forth in the introductory paragraph of this Agreement.
13. **“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.
14. **“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.
15. **“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.

16. **“Escrow Agent”** has the meaning set forth in Section 5.7.1

17. **“Escrow Deposit”** has the meaning set forth in Section 2.3.

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

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

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

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

22. **“LID”** has the meaning set forth in Section 2.7.3.

23. **“Management Agreement Termination”** has the meaning set forth in Section 4.1.2.

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

25. **“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.

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

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

28. **“PDC’s knowledge”** has the meaning set forth in Section 3.1 and means the actual current knowledge of the PDC Project Manager, without any duty of inquiry or investigation.

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

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

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

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

33. **“Title Report”** has the meaning set forth in Section 2.6.2.

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

EXHIBIT B

DESCRIPTION OF PROPERTY

Lot 7, STATION PLACE, said plat recorded March 6, 2003 in Plat Book 1257, Pages 84-86 and as Fee No. 2003-051418, Deed Records, in the City of Portland, County of Multnomah and State of Oregon.

EXHIBIT C

REVOCABLE PERMIT OF ENTRY **Station Place Lot 7 – Due Diligence Activities**

THIS REVOCABLE PERMIT OF ENTRY (“Permit”) is hereby granted by the City of Portland acting by and through the Portland Development Commission ("Commission") to Pearl Hotel Investors, LLC ("Permittee") for the temporary use of Commission-owned real property commonly known as Station Place Lot 7 and located underneath the NW Lovejoy Street Vehicle Ramp and to the adjacent south of NW Lovejoy Court, Portland, Oregon 97209 for the purpose of conducting pre-acquisition due diligence activities subject to the following terms and conditions:

Section 1. Location, Activities and Maintenance of Property

- 1.1 Permittee is hereby permitted to enter upon and use that certain real property located underneath the NW Lovejoy Street Vehicle Ramp and to the adjacent south of NW Lovejoy Court, Portland, Oregon 97209 commonly known as Station Place Lot 7 with the following legal description of STATION PLACE, LOT 7, Multnomah County Real Property Tax ID Number R533589 in the City of Portland, County of Multnomah, State of Oregon (the “Property) as generally shown on the property map attached hereto as Exhibit A.
- 1.2 Permittee and Permittee’s contractors may access the Property for the purpose of performing pre-acquisition due diligence activities and for no other purpose. Any subsurface investigations are subject to the conditions as stated within Section 6.1 of this Permit.
- 1.3 Permittee shall maintain and keep the Property in a clean and orderly condition at all times and shall remove all Permittee caused litter, scrap, rock, or debris of any kind at the end of the permit period. Permittee shall maintain and shall repair any damage to existing improvements, including landscaping and sidewalks, resulting from its use of the Property. The Property shall not be deemed secure and Permittee’s obligations under this Permit will not be fully discharged until the Property is inspected and approved by the Commission.
- 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, or to such other condition as the Commission may reasonably require. If restoration is impossible or in lieu of restoration, at the Commission's discretion, 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 that may 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.

Section 2. Insurance and Indemnification. Intentionally Omitted.

Section 3. Restrictions on Use and Hazardous Substances. Intentionally Omitted.

Section 4. Processing Fee, Use Fee and Term. Intentionally Omitted.

Section 5. Termination, Notice and Amendments. Intentionally Omitted.

PERMITTEE	COMMISSION
Pearl Hotel Investors, LLC Attn: Dike Dame 1308 NW Everett Street Portland, OR 97209 Email: dike@wddcorp.com	Portland Development Commission Attn: General Counsel 222 NW Fifth Avenue Portland, OR 97209 Email: IversonE@pdc.us

Section 6. Special Conditions

6.1 Any subsurface investigations must receive the advance and written approved of the Commission

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

PERMITTEE	COMMISSION
Pearl Hotel Investors, LLC Attn: Dike Dame 1308 NW Everett Street Portland, OR 97709	Portland Development Commission 222 NW Fifth Avenue Portland, OR 97209
_____ Authorized Signature	_____ Director Signature
_____ Date	_____ Date
_____ Written Name	_____ Written Name
_____ Title	_____ Title

ATTACHMENT: Exhibit A Property Map



EXHIBIT D

FORM OF 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 **PEARL HOTEL INVESTORS LLC**, an Oregon limited liability company ("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 between Buyer and PDC, dated ____, 2014 (the "Agreement"). The true and actual consideration for this conveyance is One Hundred Forty-Two Thousand and No/110 Dollars (\$142,000.00).

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 River District Urban Renewal Area approved by the City Council of the City on June 18, 1998, as amended.

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, 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.

(Remainder of page intentionally left blank; signatures appear on the following page)

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: _____
Printed Name: _____
Its: _____

STATE OF OREGON)

) ss.

County of Multnomah)

The foregoing instrument was acknowledged before me on _____, 20____, by _____ as _____ of the City of Portland Development Commission, on its behalf.

Notary Public for Oregon
My commission expires: _____

RESOLUTION NO. 7039

RESOLUTION TITLE:

AUTHORIZING THE DISPOSITION OF 0.59 ACRES OF REAL PROPERTY IN THE RIVER DISTRICT URBAN RENEWAL AREA TO PEARL HOTEL INVESTORS, LLC FOR \$142,000

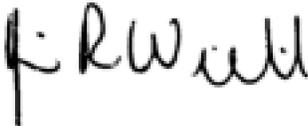
Adopted by the Portland Development Commission on February 12, 2014

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 type="checkbox"/>	Commissioner John Mohlis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

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

	<p>Date:</p> <p>February 13, 2014</p>
<p>Gina Wiedrick, Recording Secretary</p>	