

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7647

APPROVING THE TERMS OF A SETTLEMENT AGREEMENT WITH FUTURE STACK LLC FOR A DEFAULTED LOAN SECURED BY TWO COMMERCIAL BUILDINGS LOCATED AT 208 & 234 NW 5TH AVENUE, PORTLAND, OREGON

WHEREAS, in 2014, Prosper Portland, City of Portland (“City”) Bureaus, the Old Town Community Association, and other neighborhood stakeholders collaborated to formulate the Old Town/Chinatown Five-Year Action Plan (“2014 Action Plan”), which was adopted by Portland City Council (“City Council”) through Ordinance No. 186744 on August 6, 2014;

WHEREAS, on September 4, 2019, through Resolution No. 37445, the City Council adopted the Old Town/Chinatown Five-Year Action Plan Extension (“Action Plan”), extending the 2014 Action Plan through 2024;

WHEREAS, on August 14, 2019, through Resolution No. 7330, the Prosper Portland Board of Commissioners (“Board”) adopted the Action Plan;

WHEREAS, on April 26, 2023, through Resolution No. 37617, the City Council adopted Advance Portland, a five-year strategic plan for Prosper Portland that calls for the promotion of inclusive economic growth, innovation, and wealth creation;

WHEREAS, on February 12, 2025, the Prosper Portland Board of Commissioners (Board) authorized the Executive Director to enter into an agreement to make a Commercial Property Loan to Future Stack, LLC (Borrower) in an amount up to \$7,000,000 for the acquisition and improvement of the real properties commonly known as 208 NW 5th Ave. and 234 NW 5th Ave., located in the Old Town/Chinatown district (collectively, the “Property”);

WHEREAS, Borrower is in default under the terms of the loan and on February 26, 2026, the Borrower informed Prosper Portland it was ceasing operations;

WHEREAS, Prosper Portland and Borrower have negotiated settlement terms as set forth in the Term Sheet attached hereto as Exhibit A, which includes Prosper Portland taking possession of the subject property by Deed-in-Lieu of Foreclosure;

WHEREAS, a Deed-in-Lieu of Foreclosure represents the best outcome for the loan default pursuant to Prosper Portland’s Financial Sustainability Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is authorized to oversee the negotiation of, and to execute, a final Settlement Agreement consistent with the terms set forth in the attached Exhibit A, and all related documents necessary to cancel and

release the obligations of Future Stack, LLC and take possession of the subject Property;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to draft Settlement Agreement terms so long as such changes do not materially increase Prosper Portland's obligations or risks, as determined by the Executive Director in consultation with Prosper Portland's General Counsel; and

BE IT FURTHER RESOLVED, that with the affirmative vote of at least four members of the Prosper Portland Board and of all members present, this resolution will become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.

Adopted by the Prosper Portland Commission on May 13, 2026



Hannah Studdard, Recording Secretary

DRAFT SETTLEMENT AGREEMENT (DEED-IN-LIEU)

TERM SHEET

The following are the proposed terms and conditions applicable to a deed-in-lieu transaction (the “Transaction”) between the parties and are intended solely as a framework for preparation of definitive documentation acceptable to Lender and its counsel; no cancellation, release, transfer, or other obligation of Lender will become effective unless and until the Transaction closes in accordance with such definitive documentation:

1. Property: 208, 222, 234 NW 5th Avenue, Portland, OR 97209

Tax Account Nos: R140431 and R140432

Together with all improvements, fixtures, and all Borrower-owned furniture, furnishings, equipment, inventory, supplies, and other owned personal property located at or used primarily in connection with such real property, to the extent constituting collateral under the Loan Documents or otherwise transferred in the definitive documentation, but expressly excluding any other real property of Borrower or Guarantor that does not secure the loan, and excluding any other Borrower-leased, licensed, consigned, or other third-party-owned property unless Lender expressly elects in writing to accept such property without assuming any related liability.

2. Borrower: Future Stack, LLC, an Oregon limited liability company d/b/a/ Made in Old Town

3. Guarantor: Old Town Perpetual Purpose Trust

4. Lender: Prosper Portland, the economic development and urban renewal agency of the City of Portland

5. Loan

Documents: (a) Promissory Note (Commercial Property Loan), Loan Number 9697-02-01, dated March 28, 2025.

(b) Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents, recorded in Multnomah County as document 2025-018761.

(c) Guarantee, Loan Number 9697-02-01, dated March 28, 2025.

(d) Loan and Security Agreement, Loan Number 9697-02-01, dated March 28, 2028.

(e) Any and all amendments, modifications, renewals, extensions, replacements, assignments, UCC financing statements, and other documents evidencing, securing, guarantying, or otherwise relating to the loan.

6. Conveyance:

Title:

The Property including all fixtures and applicable personal property will be conveyed by Borrower to Lender or its designee by deed-in-lieu of foreclosure (and bill of sale, at Lender's request) or equivalent in forms acceptable to Lender; title to all property shall be free and clear of all liens and encumbrances except those approved by and acceptable to Borrower, Lender, and their respective counsel. The conveyance will also include all assignable leases, rents, security deposits to the extent transferable or credited, warranties, permits, plans, books and records, tenant files, keys, codes, access devices, and contracts used primarily in connection with the Property that Lender elects to receive. Borrower will identify before closing any personal property that is not owned free and clear by Borrower, including any property subject to equipment lease or other third-party claim, and no such property will be deemed transferred to, or assumed by, Lender unless Lender expressly agrees in writing. Borrower and Guarantor will remain responsible for all obligations and claims relating to excluded or third-party-owned property. The deed and related transfer documents will include commercially reasonable owner's title insurance policy provisions and non-merger and no-assumption language to the extent Lender deems appropriate.

7. Obligations to
be Cancelled

and Released:

(a) Promissory Note (Commercial Property Loan), Loan Number 9697-02-01, dated March 28, 2025.

(b) Line of Credit Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents, recorded in Multnomah County as document 2025-018761.

(c) Guarantee, Loan Number 9697-02-01, dated March 28, 2025.

(d) Loan and Security Agreement, Loan Number 9697-02-01, dated March 28, 2028.

(e) Those of any other Loan Document expressly identified in the definitive documentation.

The foregoing obligations will be cancelled and released effective upon closing of the Transaction and delivery and recording of the transfer documents, except as otherwise expressly provided in the definitive documentation. Any such release may exclude only: (i) fraud or intentional misrepresentation; (ii) obligations expressly stated in the definitive documentation to survive closing; (iii) liabilities relating to excluded assets or third-party-owned property; and (iv) mechanic's, construction, labor, or material claims arising from work performed or contracted for before Lender or its designee takes possession. If the Transaction does not close, no release or impairment of Lender's rights under the Primary Security Documents will occur.

8. Costs: All real property taxes due as of the date of recordation of the deed-in-lieu, and any and all recordation or transfer fees on the deed-in-lieu will be paid in full by Lender or its designee; Borrower will comply with any reasonable request from Lender in connection with structuring the transaction to minimize recordation and transfer fees; and each party will pay its own attorneys' fees. To facilitate closing, the definitive documentation may provide for prorations, credits, or use of available property income, reserves, deposits, or other collateral proceeds to satisfy taxes, transfer charges, utilities, or similar property-level closing costs, in each case as agreed by the parties.
9. No Additional Defaults: Lender will not be obligated to accept a deed-in-lieu, or to release any obligations under the Loan Documents, if any additional events of default occur prior to closing other than failure of Borrower to make any payments required under the Loan Documents or any other documents evidencing or securing the loan described therein, including, for example, Borrower's failure to pay the costs of maintenance or insurance for the Property. Nothing herein will be deemed an amendment of the Loan Documents, the obligations to be cancelled and released, or any other documents or agreements related thereto. Borrower will continue to maintain, preserve, and secure the Property in substantially its current condition, ordinary wear and casualty excepted, and will not commit waste or voluntarily create additional liens, encumbrances, or agreements affecting the Property without Lender's prior written consent, except for routine matters in the ordinary course that do not materially impair value or title.
10. Closing Date: The definitive settlement agreement may become effective before closing of the Transaction and conveyances of Property. After the definitive settlement agreement takes effect, Lender may designate the closing date of the Transaction including the conveyances by written notice to Borrower and Guarantor, and the closing date may be any date selected by Lender after the effective date of the definitive settlement agreement. The definitive documentation may provide that, upon effectiveness of the settlement agreement, Borrower and Guarantor will deliver executed closing documents, instruments of transfer, and other required deliveries into escrow or otherwise in a manner that permits Lender to cause the closing to occur on the date designated by Lender. Borrower and Guarantor will remain ready to close at any time after the settlement agreement takes effect, subject only to the terms of the definitive documentation.
11. Mortgagee Release: Borrower and Guarantor will release Lender from all liability at closing of the Transaction, and Lender will release Borrower and Guarantor from liability at closing, in each case as set forth in the definitive settlement documentation. Borrower's and Guarantor's release of Lender will apply to claims arising out of or relating to the loan, the Property, and the Transaction, excluding claims under the definitive settlement documentation. Lender's release of Borrower and Guarantor will be limited to the obligations identified in Item 7, subject to

the limited survival matters set forth there. No liability to tenants, contractors, taxing authorities, trade creditors, equipment lessors, employees, or other third parties will be assumed by Lender except as expressly provided in the definitive documentation. Borrower will, after closing, provide Lender with further assurances as reasonably requested by Lender, including to correct any error or to confirm Lender's title in and the fact of transfer of the Property and the status of all relevant assets.

12. Receiver: Lenders shall have the option to seek court appointment of a receiver for the management and/or sale of the Property, and Borrower shall consent thereto.

13. Leases: Borrower will not execute any leases encumbering the Property without Lender's express written consent. Borrower will not amend, terminate, extend, or grant material concessions under any lease or occupancy arrangement without Lender's express written consent. Borrower will promptly disclose to Lender any prospective tenant leads, broker inquiries, letters of intent, proposals, draft leases, or other material tenant opportunities relating to the Property, and will furnish copies of relevant written information and communications reasonably available to Borrower.

14. Information and Cooperation:

Upon Lender's reasonable request before closing, Borrower and Guarantor will provide information and cooperation reasonably requested by Lender in connection with the loan, the Property, the transferred assets, and the closing, including financial information, asset information, contract and tenant information, and access to knowledgeable representatives for interview or inquiry, in a manner generally consistent with the practical scope of information that would be sought in aid of collection or examination of a debtor, subject to applicable law and reasonable confidentiality limitations.

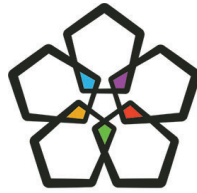
15. Mechanic's Liens and Pre-Closing Work:

Borrower will not commence or authorize new work, alterations, or tenant improvements at the Property without Lender's prior written consent. Borrower and Guarantor will disclose any unpaid work, labor, materials, or contracts that could give rise to a mechanic's or similar lien affecting the Property. Borrower and Guarantor will remain responsible for mechanic's, labor, construction, and material claims arising from work performed or contracted for before Lender or its designee takes possession, and will cooperate in resolving or bonding around any such liens or claims if required to close or protect title.

16. Closing Deliveries:

At or before the effectiveness of the definitive settlement agreement, or at such later time as the definitive documentation provides, Borrower and

Guarantor will deliver the deed, bill of sale or assignment as applicable, rent roll, non-foreign status certification if required, organizational approvals, keys and access devices, and such other customary transfer documents and property-level records as are reasonably necessary to effect the Transaction and transfer the Property and transferred assets. The definitive documentation may provide that such items are to be delivered into escrow or otherwise held pending the closing date designated by Lender.



**PROSPER
PORTLAND**
Building an Equitable Economy

Resolution No.

RESOLUTION TITLE:

Approving the Terms of a Settlement Agreement with Future Stack, LLC for a Defaulted Loan Secured by Two Commercial Buildings Located at 208 & 234 NW 5th Avenue


Adopted by the Prosper Portland Commission on

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Marcelino J. Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Felisa Hagins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Eric Cress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input 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 Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date:
Hannah Studdard, Recording Secretary	