

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7138

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASEHOLD PURCHASE AND SALE AGREEMENT TO CONVEY 2.82 ACRES OF LEASED PROPERTY IN THE AIRPORT WAY URBAN RENEWAL AREA TO COOK SECURITY GROUP FOR \$1,035,000

WHEREAS, on June 11, 1999, the Portland Development Commission (“PDC”) Board of Commissioners (“Board”) approved Resolution No. 5278 authorizing the Executive Director to enter into a comprehensive Development Agreement related to the development of Cascade Station, a 120-acre parcel of land owned by the Port of Portland;

WHEREAS, as part of the Cascade Station development, PDC provided urban renewal funding to assist in the extension of the light rail line to the Portland International Airport and to help fund public infrastructure within Cascade Station;

WHEREAS, on June 22, 2005, pursuant to Resolution No. 6263, the PDC Board authorized a restructure of the debt owed to PDC under the Development Agreement, consenting to take an assignment of development and lease rights to 36 acres of land within Cascade Station in lieu of debt repayment;

WHEREAS, PDC has, over the past four years, disposed of approximately 10 acres of these assigned properties for i) the construction of the new Portland headquarters of the Federal Bureau of Investigation, and ii) land that will be used by Station Hospitality, LLC, for a hotel facility;

WHEREAS, in December 2014, Cook Security Group (“Buyer”) commenced discussions with PDC to acquire PDC’s leasehold interest in 2.82 acres (“the Property”) for the purpose of relocating and expanding its business presently located in Milwaukie, Oregon;

WHEREAS, PDC and Buyer have negotiated the terms and conditions of a leasehold purchase and sale agreement in the form attached hereto as Exhibit A (the “Terms and Conditions”); and

WHEREAS, the sale of the Property to Buyer according to the Terms and Conditions is deemed in the best interests of PDC and Portland.

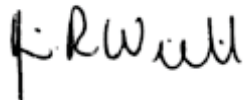
NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to execute a leasehold purchase and sale agreement with Buyer, for the conveyance of the Property according to the attached Terms and Conditions;

BE IT FURTHER RESOLVED, that the Executive Director is further authorized to execute all documents as may be necessary to complete this transaction;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Terms and Conditions so long as such changes are not materially different 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 the Portland Development Commission on July 16, 2015

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

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EXHIBIT A

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASEHOLD PURCHASE AND SALE AGREEMENT TO CONVEY 2.82 ACRES OF LEASED PROPERTY IN THE AIRPORT WAY URBAN RENEWAL AREA TO COOK SECURITY GROUP FOR \$1,035,000

Exhibit A includes this cover page and contains five pages:

- Summary of Terms and Conditions of Leasehold Purchase and Sale Agreement in the Airport Way Urban Renewal Area between the Portland Development Commission and Cook Security Group

SUMMARY OF TERMS AND CONDITIONS

OF

LEASEHOLD PURCHASE AND SALE AGREEMENT
IN THE AIRPORT WAY URBAN RENEWAL AREA

Between

THE PORTLAND DEVELOPMENT COMMISSION

And

COOK SECURITY GROUP

PDC (“Seller”) contemplates the following major Terms and Conditions leading to and informing the negotiation of a conveyance of the Property (defined below). Cook Security Group (“Buyer”) together with the Seller shall be referred to as “the Parties”. The terms and conditions as outlined herein are intended to serve as a basic framework for a proposed transaction between Buyer and Seller (“Leasehold Purchase and Sale Agreement”). Additional minor terms and conditions will be subject to subsequent negotiations between the Parties. It is the intent of the Parties to execute a definitive Leasehold Purchase and Sale Agreement (PSA) within 90 days of PDC Board of Commissioners approval of these Terms and Conditions. Seller shall provide a draft of the PSA to Buyer within 14 days of PDC Board of Commissioners approval. The Agreement shall be a legally binding instrument and shall set forth the more detailed provisions governing the rights and obligations of the Parties with respect to conveyance of the Property and construction of the Project. The date of execution by the Parties of the Leasehold PSA shall be deemed the “Effective Date”.

Property Description: The “Property” is an approximately 122,996 square foot Leasehold Estate located at 9109 NE CASCADES PKWY, Portland, Oregon.

Sales Price: \$1,035,000

Project: The proposed Project is a two-story tilt-up 30,000 square foot office building which shall serve as the Cook Security Group Headquarters.

Assignment: The Leasehold PSA shall only be assignable to an affiliated party to the Buyer and is subject to Seller approval.

AS IS Sale: The Property is offered and Buyer is acquiring the Leasehold Estate in the condition existing at the time of Closing, AS IS, with all defects, if any.

Earnest Money: Within three (3) days of the Effective Date, Buyer shall deposit into escrow, a promissory note of \$100,000 which shall be converted to cash before expiration of the Contingency Period. Upon expiration of the Contingency Period, the Earnest Money shall become non-refundable.

Due Diligence Period: The Due Diligence Period is 120 days from the Effective Date. During the Contingency Period the Buyer shall undertake all appropriate due diligence and cause design documents to be drafted and delivered for all required design review.

Extensions: Provided that Buyer has initiated the Design Review Process, Buyer shall have monthly options to extend the Due Diligence Period for up to four months by providing PDC written notice of their desire to extend, and a non-refundable but applicable payment of \$2,000 per extension.

Title Objection: Buyer shall have 30 days from the Effective Date to provide Seller with any title objections (“Title Objection Letter”). Seller shall then have 30 days from receipt thereof to respond to the Title Objection Letter.

Form of Title: Assignment of the Leasehold Estate will be subject to approval by the Port of Portland. Within ten (10) days following a fully executed Leasehold PSA, Seller shall prepare and deliver to Buyer draft documentation for a Modified Ground Lease between the Buyer and the Port of Portland. The Parties agree to negotiate the documents in good faith and exclusively until full execution with the Port of Portland.

Closing Date: The Closing Date shall be the conveyance of the Property to Buyer. The Closing Date shall be the earlier of either i) 30 days after final design review approval, or ii) 12 months after the Effective Date.

Closing Precedents: Closing shall remain subject to, among other things, financing commitments and final Form of Title.

Community Benefits: The Leasehold PSA shall include specific provisions, acceptable to PDC and identified for public benefit to achieve PDC goals and to mitigate adverse community impacts.

PDC Policies: Buyer shall comply with all applicable PDC policies, to include the Green Building Policy and the Equity Policies.

Broker Commission: Jones Lang LaSalle, as Buyer’s broker, shall be paid a fee by Seller equal to 5% of the Sales Price. The Brokerage Commission shall be paid upon the Closing Date.

SIGNATURE PAGE TO FOLLOW

For SELLER

Portland Development Commission:

By: _____
Patrick Quinton, Executive Director

APPROVED AS TO FORM:

Legal Counsel

BUYER:

COOK SECURITY GROUP
an Oregon corporation

By: _____

Name: _____

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RESOLUTION TITLE:

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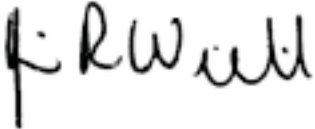
Adopted by the Portland Development Commission on July 16, 2015

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Aneshka Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<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>July 20, 2015</p>
<p>Gina Wiedrick, Recording Secretary</p>	