PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7166

AUTHORIZING THE TERMS FOR AN EASEMENT AGREEMENT WITH HYATT CORPORATION FOR THE USE OF THE CONVENTION CENTER HOTEL PARKING GARAGE

WHEREAS, the Portland Development Commission ("PDC") is the owner of a 0.88-acre parcel, known as Block 49, which is located at the northeast corner of NE 1st Avenue and NE Holladay Street (the “Property”);

WHEREAS, the PDC Board of Commissioners ("Board") through Resolution No. 4178 acquired the Property in 1991 for the express purpose of assisting with the acquisition of property for a headquarters hotel site;

WHEREAS, in 2006, the PDC Board through Resolution No. 6355 adopted a Development Vision for the Oregon Convention Center Blocks, which includes the Property;

WHEREAS, Mortenson Development ("Mortenson"), intends to construct a 600-room Convention Center Hotel ("Hotel") on the site to the east of the Property;

WHEREAS, PDC intends to support the Hotel by constructing a 425-stall parking garage ("Parking Garage") on the Property, with 375 stalls dedicated to the Hotel;

WHEREAS, Mortenson will design and construct the Parking Garage on behalf of PDC;

WHEREAS, upon completion of construction, Mortenson will sell the Hotel to Hyatt Corporation ("Hyatt"); and

WHEREAS, PDC and Hyatt will partner to establish the terms and conditions under which the Parking Garage will be used.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to enter into an Easement Agreement with Hyatt, substantially consistent with the terms outlined in the attached Exhibit A;
BE IT FURTHER RESOLVED, that the Executive Director may approve changes to the Easement Agreement, 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 the Portland Development Commission on February 10, 2016

[Signature]

Gina Wiedrick, Recording Secretary
EASEMENT AGREEMENT (PDC AND HYATT CORPORATION)

Significant Terms:

1. Hyatt grants to PDC parking entitlements that allow for the construction of the Parking Garage.

2. PDC grants to Hyatt the right to use 375 stalls on a first priority basis.

3. PDC shall provide, or permit the Hyatt to provide, valet services to the Hotel subject to reasonable rules and restrictions of the Hotel.

4. Hotel Guests, patrons and employees shall be charged for the use of the parking spaces and/or valet services in the Parking Garage at no more than the fair market value for the use of such spaces and/or valet services in similar garages in the Portland, Oregon metro area.

5. PDC shall operate the Parking Garage in a first-class manner and shall pay all costs and expenses related to the development, construction, and operation of the Parking Garage.

6. PDC shall have the right to expand the Parking Garage Property to include additional parking, retail, and office spaces.

Conditions to be resolved prior to moving forward:

1. Parking Structure Development Agreement fully executed.

2. Parking Operation and Valet Services Management Agreement fully executed.
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☐ Consent Agenda ☑ Regular Agenda

CERTIFICATION

The undersigned hereby certifies that:

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

Date:
February 29, 2016

Gina Wiedrick, Recording Secretary