

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6630

**AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A
PURCHASE AND SALES AGREEMENT WITH THE HOUSING
AUTHORITY OF PORTLAND FOR THE ACQUISITION OF THE
GROVE HOTEL LOCATED AT 401- 439 WEST BURNSIDE IN
THE RIVER DISTRICT URBAN RENEWAL AREA**

WHEREAS, in furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland, PDC has undertaken a program for the redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the River District Urban Renewal Area, which was most recently amended by the City Council on June 25, 2008 to change the boundaries and, therefore, now includes the Grove Hotel site;

WHEREAS, PDC has received notice of an intent to file an appeal of the June 25, 2008 amendment to the River District to the State of Oregon Land Use Board of Appeals (the "Appeal");

WHEREAS, the Grove Hotel is a 21,000 square foot, three-story structure with 70 SRO units on an 11,000 square foot parcel of land located at 401-439 West Burnside Street in Portland on Block 32 between Northwest Fifth Avenue and Northwest Fourth Avenue;

WHEREAS, the owners of adjacent properties on Block 32 and Block 33, located between Northwest Davis Street, Northwest Fourth Avenue, and Northwest Fifth Avenue are planning a future development of their property which may be facilitated by control of the Grove Hotel site by PDC;

WHEREAS, the City adopted Home Again: A Ten Year Plan to End Homelessness (the "10-year Plan") in December 2005 (Resolution No. 36367) which seeks solutions to homelessness;

WHEREAS, the Housing Authority of Portland (HAP) purchased the Grove Hotel in November 2007 as part of a consolidated strategy negotiated by PDC, HAP, and the City to preserve affordable housing opportunities and to maintain uninterrupted service delivery for critical programs providing services to at-risk and homeless individuals;

WHEREAS, the purchase of the Grove Hotel from HAP by PDC at the completion of HAP's renovations is part of the interagency strategy developed to preserve affordable housing and to ensure the uninterrupted delivery of critical social services in support of the 10-year Plan;

WHEREAS, HAP has completed a partial renovation of the Grove Hotel aimed at eliminating critical safety violations and making improvements necessary to maintain the useful life of the formerly deteriorated structure for at least three years while a long-term development strategy is devised for the site, and permanent replacement housing for the Grove Hotel is developed over the Resource Access Center on Block U by HAP;

WHEREAS, PDC used tax increment financing from the Downtown Waterfront Urban Renewal Area budget in April 2008 for a loan of \$3,468,752.00 dollars to finance HAP's expenses related to the purchase and partial renovation of the Grove Hotel;

WHEREAS, PDC will take title to the Grove Hotel, after the satisfactory resolution of the Appeal, for an amount not to exceed \$3,750,000 dollars and equal to debt relief to HAP of \$3,468,752 dollars and an additional amount equal to the sum of periodic price increases from now until the date of closing on or before February 28, 2010;

WHEREAS, PDC has \$600,000 in the three year budget forecast for the River District Urban Renewal Area for estimated expenses including earnest money deposits for the purchase price escalation, property operating costs including capital expenditures, and tenant relocation;

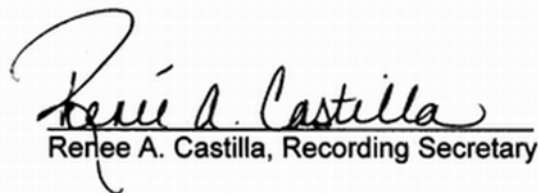
NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to enter into a Purchase and Sales Agreement with HAP for the purchase of the Grove Hotel, substantially in the form attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that PDC's acquisition of the Grove Hotel and financial commitment shall be contingent upon full and final resolution of the pending Appeal in favor of the City, or PDC's determination, in its sole discretion, that financial resources are available for expenditure in connection with the Grove Hotel;

BE IT FURTHER RESOLVED that the Executive Director may approve changes to the Purchase and Sales Agreement if such modifications do not materially change PDC's obligations or risks from those imposed by the attached document; and

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

Adopted by the Portland Development Commission on August 13, 2008.



Rerlee A. Castilla, Recording Secretary

**THE GROVE HOTEL
PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is entered into this 28 day of August, 2008 between **HOUSING AUTHORITY OF PORTLAND**, an Oregon public body corporate and politic (“**Seller**”) and **CITY OF PORTLAND**, acting by and through the **PORTLAND DEVELOPMENT COMMISSION**, the duly designated urban renewal agency for the City of Portland (“**Buyer**”).

RECITALS

- A. Seller is the owner of the parcel of real property and all improvements commonly known as the Grove Hotel located at 421 West Burnside Street, in the City of Portland, County of Multnomah, State of Oregon, as more particularly described in the attached Exhibit A (“**Property**”).
- B. Buyer funded both Seller’s acquisition of the Property and renovation costs associated with the Property by means of a Loan No. 38535-08 dated as of May 14, 2008 and Promissory Note (the “**Note**”) dated as of May 14, 2008 (collectively, the “**Loan**”), secured by the Property pursuant to the Line of Credit Trust Deed and Assignment of Leases and Rents dated as of May 14, 2008, and recorded as Fee No. 2008-074190 on May 15, 2008 in the Records of Multnomah County (the “**Trust Deed**”). The terms of the Loan include a loan amount of \$3,468,752.00 (or so much thereof as may have been disbursed pursuant to the terms of the Loan as of time of Closing), no interest payments and the contemplation of the parties that the Loan will be forgiven (or assumed by Buyer, at Buyer’s option) when the Property is transferred from Seller to Buyer after the completion of renovation activities.
- C. The Property was in the Downtown Waterfront Urban Renewal Area at the time the Loan closed. As part of a broader assessment of urban renewal in downtown Portland, the boundaries of the Downtown Waterfront Urban Renewal Area were amended, among other things, to remove the Property from the Downtown Waterfront Urban Renewal Area and the boundaries of the River District Urban Renewal Area (the “**River District URA**”) were amended, among other things, to include the Property in an expanded River District URA with an increased maximum indebtedness (the “**Amended River District**”). In the interim, the Amended River District has been appealed to the State of Oregon Land Use Board of Appeals (the “**Appeal**”). The parties acknowledge that Buyer’s ability to acquire the Property is contingent upon Buyer’s ability to implement the Amended River District after the Appeal has been resolved.
- D. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, on the terms and conditions set forth in this Agreement.

AGREEMENT

1. Sale and Purchase of the Property

Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on the terms and conditions set forth in this Agreement.

a. The Property consists of: (i) the land described in Exhibit A attached hereto (the "Land") and all easements, rights, strips, gores, rights-of-way, and any other rights or interests appurtenant thereto; (ii) all the improvements currently situated on the Land (the "Improvements"); (iii) all of Seller's rights (if any) in all tangible personal property located on the Land or in the Improvements, and (iv) all Seller's rights, if any, in all the following intangible property now or hereafter existing with respect to the Property (the "Intangible Property"): (1) all leases, licenses, and other agreements to occupy all or any part of the Land or Improvements together with, and subject to the manner in which the same are to be prorated under this Agreement, all rents, charges, deposits and other sums due, accrued, or to become due thereunder, and all guaranties by third parties of any tenant's obligations under the leases, licenses, and other agreements; (2) all plans and specifications, all building permits and other permits pertaining to the construction of the Improvements, and all warranties, guaranties, and sureties now or hereafter received in connection with the construction of or equipment on the Improvements; (3) all licenses, permits, approvals, certificates of occupancy, and franchises related to the zoning, land use, ownership, operation, occupancy, construction, or maintenance of the Improvements; (4) all service and maintenance contracts and equipment leases in connection with or used by the Seller in the operation of the Improvements; and (5) all Seller's rights, if any, to use the name "Grove Hotel"

b. Purchase Price. The Purchase Price for the Property shall be the lesser of (a) \$3,710,752 or (b) the sum of (i) the outstanding balance of the Loan at Closing, (ii) \$26,000, (iii) \$12,000 (the "Price Escalator") for each calendar month during the period commencing on September 1, 2008 and ending on the date of Closing (with the Price Escalator prorated for any partial calendar month during the period up to and including Closing), and (iv) the cost of any capital improvements to the Property that are agreed upon, in writing, by Seller and Buyer.

c. Payment of Purchase Price. Within ten (10) days after execution of this Agreement by both parties, Buyer shall pay Seller \$74,000, as an initial earnest money deposit. If Closing does not occur by January 7, 2009, Buyer shall pay Seller an additional \$72,000 on such date, as a supplemental earnest money deposit. If the Closing does not occur by July 7, 2009, Buyer shall pay Seller \$96,000 on such date, as a final earnest money deposit (all of the foregoing earnest money deposits actually paid, collectively, the "Earnest Money Deposits"). Buyer shall be in default under this Agreement if any Earnest Money Deposit is not paid on the date provided for payment. The Earnest Money Deposits shall be credited towards the Purchase Price at Closing. Buyer shall pay the Purchase Price in the form of forgiveness of the outstanding balance of the Loan at Closing (or, at Buyer's option, assumption of the Loan together with a complete release of Seller from all obligations relating to the Loan) and a credit for the Earnest Money Deposits paid at or prior to Closing. If the sum of the outstanding

balance of the Loan at Closing and the Earnest Money Deposits paid at or prior to Closing exceeds the Purchase Price, Seller shall pay the difference to Buyer at Closing. If the sum of the outstanding balance of the Loan at Closing and the Earnest Money Deposits paid at or prior to Closing is less than the Purchase Price, Buyer shall pay the balance of the Purchase Price in cash to Seller at Closing.

2. Title Report and Condition of Title

a. Buyer's Review of Preliminary Title Report. Seller will cause Escrow Agent, as defined below, to provide a preliminary title report to Buyer for the Property as soon as reasonably practicable after execution of this Agreement by both parties.

b. Objections to Condition of Title. If Buyer in good faith and within seven days after Buyer's receipt of the title report objects in writing to the condition of title of the Property, Buyer may terminate this Agreement by written notice delivered to Seller specifying Buyer's objections. The effectiveness of Buyer's right to terminate shall be suspended until the Closing Date if Seller notifies Buyer in writing within ten days of the date Seller receives Buyer's notice that Seller intends to remove or change the objectionable matter(s) on or before Closing. If Seller cannot remove the objectionable matter(s) from the title report on or before the Closing Date, then this Agreement shall terminate as of the Closing Date or such earlier date on which Seller notifies Buyer in writing that Seller cannot remove the objectionable matter(s). Seller shall notify Buyer in writing promptly after Seller's determination that it cannot remove an objectionable matter. If Seller is able to remove the objectionable matter(s) on or before the Closing Date, then Buyer's notice to terminate under this paragraph shall be of no force or effect and the sale contemplated by this Agreement shall be closed as provided herein. Any matters not objected to by written notice delivered to Seller within seven days of Buyer's receipt of the title reported shall be deemed accepted and shall become permitted encumbrances (the "Permitted Encumbrances"). At any time prior to Closing, Buyer may waive its objection regarding any matter to which it previously objected, whereupon such matter shall immediately be deemed accepted and become a Permitted Encumbrance.

3. Closing

a. "Closing" and "Closing Date" Defined. In this Agreement, the terms "Closing" and "Closing Date" mean the time and the date, respectively, the Purchase Price of the Property is paid to Seller and the deed conveying the Property to Buyer is recorded in accordance with the provisions of this Agreement.

b. Closing Date; Termination. Closing shall occur as soon as practicable after satisfaction of the Conditions Precedent to Closing set forth in Section 4 (the "Closing Conditions"). Buyer's obligation to Close is subject to satisfaction of the Closing Conditions. If the Closing Conditions are not satisfied on or prior to February 28, 2010, this Agreement shall automatically terminate on February 28, 2010 and Buyer shall have no further obligation to purchase the Property.

c. Escrow. This transaction shall be closed through Fidelity National Title Insurance Company (the "Escrow Agent") whose address is 900 SW Fifth Avenue, Portland, Or 97204 and whose telephone number is (503) 222-2424. At Closing, Seller shall deliver to escrow the Deed, as defined below, and Buyer shall deliver the Note marked "Paid in Full" (which shall be deemed to evidence a full release of Seller from all obligations and liability related to the Loan) and instructions to the Escrow Agent to reconvey the Trust Deed to Seller on the Closing Date prior to recording the Deed (or, if Buyer elects to assume the Loan, such documentation as Seller deems reasonably satisfactory to evidence such assumption and the complete release of Seller from all obligations and liability related to the Loan). In addition, Buyer or Seller, as appropriate, shall deliver such funds to the Escrow Agent as are necessary to refund excess Earnest Money Deposits or provide for full payment of the Purchase Price, as further described in Section 1(c). At Closing, Buyer and Seller shall each pay one-half of the Escrow Agent's usual and customary escrow fee. Buyer shall pay all recording fees.

d. Conveyance Documents. Seller will convey the Property to Buyer by statutory special warranty deed in a form acceptable to Buyer and subject only to the Permitted Encumbrances (the "Deed").

e. Title Policy. Within a reasonable time after Closing, Seller will provide to Buyer, a standard form owner's policy of title insurance for the Property, in the amount of the Purchase Price. The cost of such title insurance shall be paid at Closing by Seller. Buyer shall pay the cost of any endorsements or additional coverage Buyer may request.

f. Proration. Personal property taxes for the current year and utility expenses and all rentals from tenants and other use fees receivable under any lease or other agreement concerning the Property shall be prorated and adjusted between the parties as of the Closing Date. If any item to be prorated is unknown at the time of Closing, but is determined after Closing, then the parties shall make the appropriate adjustments and payment as soon as practicable.

g. Termination. Upon termination of this Agreement for any reason other than default of Seller, Seller shall be entitled to sell the Property in an arm's length transaction to an unrelated third party free of any interest or claim of Buyer under this Agreement. Seller shall use commercially reasonable efforts to sell the Property as soon as possible after termination of this Agreement and at the highest cash price then available in the marketplace. Such cash price shall not be less than 90% of the appraised fair market value of the Property as determined by an appraisal obtained and paid for by Buyer, at Buyer's option, and delivered to Seller within 30 days of termination of this Agreement. The entire net proceeds of sale of the Property received by Seller (the "Net Proceeds") shall be paid to Buyer in full and final payment and discharge of and release of Seller in respect of all indebtedness owing under the Loan. Concurrently with the payment of the Net Proceeds to Buyer, Buyer shall reconvey its interest under the Trust Deed encumbering the Property. Either party may terminate this Agreement for default of the other party hereunder, if such default remains uncured 30 days after written notice to the defaulting party.

4. Conditions Precedent to Closing.

Buyer's obligation to Close is subject to satisfaction of the following conditions precedent on or prior to February 28, 2010:

a. Buyer's Board of Commissioners will have approved this transaction by resolution at a public meeting and that resolution will be in effect.

b. The currently pending appeals of the River District Urban Renewal Area Plan Amendments (LUBA Case Nos. 2008-116 and 2008-117) shall have been fully and finally resolved on terms acceptable to Buyer, as determined by Buyer in its sole and absolute discretion, or Buyer shall have determined, in its sole and absolute discretion, that it has sufficient funds and the necessary legal power and authority to Close the transactions contemplated by this Agreement.

c. If the Closing does not occur prior to June 30, 2009, PDC has received sufficient budget authorization from its Board of Commissioners to close the transaction

5. Possession; Inspection; No Liens

Buyer is entitled to possession of the Property immediately after Closing. Buyer may enter onto the Property at reasonable times before Closing for the sole purposes of inspection pursuant to Section 5 below. For any portion of the Improvements that is occupied by a tenant, Buyer will make appropriate arrangements with Seller regarding the time and duration of Buyer's inspections, and Buyer will take all reasonable steps to protect the tenant's property and to avoid disturbing the tenant. Buyer will schedule and coordinate all inspections with Seller and will give Seller at least two (2) business days' prior written notice thereof. Any inspection that Buyer may perform of the Property shall be at Buyer's sole expense. Buyer shall not create or allow to be created any damage, lien, or encumbrances against the Property as a result of Buyer or Buyer's agent entering onto the Property prior to Closing. Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, damage, expenses, fees, injury, or other liability arising out of any such inspection performed by Buyer or on Buyer's behalf. If Seller is made a party to any action, suit or other proceeding as a result of Buyer's activity on the Property, Buyer shall pay Seller's costs in connection therewith, including, without limitation, attorneys' fees at trial and on appeal. The indemnity and cost reimbursement provided by this paragraph is provided only to the extent permitted by law and up to the limits of the Oregon Tort Claims Act and shall survive the Closing of this transaction and the recording of the deed for a period of three years.

6. As-Is Sale

BUYER ACKNOWLEDGES THAT BUYER HAS HAD THE OPPORTUNITY TO INSPECT THE PROPERTY AND ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION "AS IS" WITH ALL FAULTS AND BUYER SHALL RELY ON THE RESULTS OF ITS OWN INSPECTION AND INVESTIGATION IN BUYER'S ACQUISITION OF THE

PROPERTY. BUYER HAS NOT RELIED ON ANY IMPLIED OR EXPRESS WARRANTIES OF SELLER OR SELLER'S AGENTS IN CONNECTION WITH THE PROPERTY OR THE PURCHASE THEREOF, EXCEPT IF SPECIFICALLY STATED IN THIS AGREEMENT. SELLER HEREBY DISCLAIMS ANY REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, OR CONCERNING THE NATURE OR PHYSICAL CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE SIZE, SQUARE FOOTAGE, LOCATION OF BOUNDARIES, SOIL AND GEOLOGY, AND THE SUITABILITY THEREOF FOR ANY PURPOSE, INCLUDING, WITHOUT LIMITATION, ANY STRUCTURE BUYER MAY CONSTRUCT THEREON.

7. Release and Waiver

As stated in paragraph 6 above ("As-Is Sale"), this Property is being sold "AS IS." Accordingly, Buyer hereby releases and waives any claim whenever arising against Seller or its agents, brokers, successors, employees, affiliates, contractors, representatives, officers, directors, members and managers, against any contractors, subcontractors, suppliers, consultants or design professionals of every tier performing any work or services in connection with the Property at any time before this sale is final, and their insurers and reinsurers (collectively, the "Seller Parties"), relating to or arising from the condition of the Property at any time. This waiver is absolute and unconditional, but this release and waiver does not apply if Buyer has knowledge of any actual or potential cause of action for such claims. This waiver applies to claims under any legal theory, including but not limited to negligence, negligence per se, negligent misrepresentation, defective construction, breach of contract or express or implied warranty, unlawful trade practice, breach of fiduciary duty, strict liability, nuisance, trespass or any other theory, whether arising from statute, contract, tort or otherwise. This waiver includes, without limitation, claims relating to construction defects, design defects, inspection defects, water intrusion, mold, mildew, dry rot, fungus and/or odors, product or materials defects, carbon monoxide, radon or carpet glue; noise or sound transmission; loss of use; emotional distress; incidental or consequential damages; attorneys' fees and costs; or relocation expenses (temporary or otherwise). Buyer acknowledges that Seller would have required a significantly higher purchase price for the Property if Buyer refused to accept the Property on such basis, required any further warranty, or declined to provide the foregoing release and waiver. This waiver shall act as a complete bar and defense against any released or waived claim. **Buyer acknowledges that Buyer has read and understands this waiver, that it has had an opportunity to seek and consult counsel regarding this waiver.**

8. Seller's and Buyer's Representations. As used in this Agreement, the terms "knowledge," "known," and "actual knowledge" (and similar phrases) are used interchangeably and will have the following meaning and effect: (i) such knowledge is limited to the actual (and not constructive) knowledge of facts by the principal officers or employees of Seller or Buyer who have been involved in the negotiation of this Agreement; and (ii) such knowledge will not imply or require that Seller or Buyer has done any independent investigation or inquiry as to the matter in question.

Buyer hereby represents, warrants, and covenants as follows:

a. No Default Under the Loan. To Buyer's knowledge, Buyer is not in default of any terms or requirements of the Loan or the Trust Deed.

b. No Breach of Agreements. This Agreement does not breach or violate any term or provision of any other agreement or contract to which Buyer is a party.

Seller hereby represents, warrants, and covenants as follows, prior to Closing:

c. No Default Under the Loan. To Seller's knowledge, Seller is not in default under the Loan or Trust Deed, or any of the documentation, security or encumbrances granted in connection therewith.

d. No Breach of Agreements. This Agreement and the consummation of the transaction evidenced by this Agreement do not violate any other agreement to which Seller is a party.

e. No Material Changes. Without Buyer's prior written consent, Seller shall not enter into any other contracts for the sale or lease of the Property, including any rights of first refusal, options to purchase, mortgages, licenses, prescriptive rights, permits, or other rights or agreement, written or oral, express or implied, which in any way affects or encumbers the Property or any portion thereof, with the exception of matters of record and existing rental agreements and that certain Lease between Seller and Central City Concern that is to become effective September 1, 2008 (the "Central City Concern Lease"). Seller shall not modify the Central City Concern Lease or any existing non-residential rental agreements or leases, or permit any future leases or rental agreements, without Buyer's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Buyer may withhold consent to any future lease or rental agreement if Buyer determines, in its sole and absolute discretion, that the lease or rental agreement would trigger relocation benefits if Buyer acquired the Property and chose to redevelop it or otherwise change its use. If Seller discovers any information or facts that would materially affect the Property, Seller will immediately give notice to Buyer of those facts and information.

9. Successor Interests

This Agreement is binding on and shall inure to the benefit of the parties and their respective heirs, successors, legal representatives, and permitted assigns. Buyer may not assign Buyer's rights under this Agreement.

10. Time is of the Essence; Remedies

Time is of the essence of this Agreement. If Closing does not occur before the close of business on February 28, 2010 for any reason (other than Seller's failure to fulfill any material obligation of Seller under this Agreement), then Seller may terminate this Agreement. If either party neglects or refuses to carry out this Agreement according to its terms, the other party shall be entitled to such remedies for breach of contract as may be available under applicable law, including (without limitation) the remedy of specific performance. Notwithstanding the foregoing, if Seller terminates this Agreement under this Section 10, if Buyer terminates this

Agreement under Section 2(b), or if this Agreement terminates automatically under Section 3(b), or if this Agreement otherwise terminates as provided in Section 3(g), then Seller's sole and exclusive remedy shall be retention of any Earnest Money Deposits paid on or prior to the date of termination.

11. Real Estate Commission

Each party represents and warrants that it has dealt with no broker, agent or finder in connection with this transaction. Each party shall defend, indemnify, and hold the other party harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct.

12. Attorneys' Fees

In the event suit, action, arbitration, or other proceeding of any nature, including, without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party, to the extent permitted by law, its costs and expenses including its reasonable attorney fees (whether incurred before trial, at trial, on appeal or in any bankruptcy or arbitration proceeding). In the event of suit, action, arbitration or other proceedings, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review and in any bankruptcy or arbitration proceeding and shall be in addition to all other amounts provided by law.

13. Counterparts

This Agreement may be executed and delivered in any number of counterparts each of which shall be deemed an original, but all of which will together constitute one and the same instrument.

14. Complete and Final Agreement; Construction

This Agreement is the complete and final agreement of the parties. Any modification of this Agreement must be in writing and signed by the both parties.

15. Notice.

Any notice required or permitted under this Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by facsimile (answer back or receipt confirmed), addressed to the parties as follows:

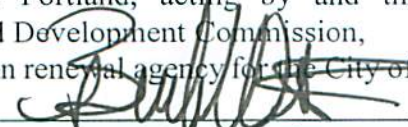
If to Seller: Housing Authority of Portland
Attn: Michael Andrews
135 SW Ash, Suite 500
Portland, OR 97204
Phone: (503) 802-8507

If to Buyer: Portland Development Commission
Attn: Barbara Shaw
222 NW 5th Avenue
Portland, OR 97209-3859
Phone: (503) 823-3200
Facsimile: (503) 823-3368

16. Statutory Notice

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 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 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. 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 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

EXECUTED as of the date first written above.

BUYER
City of Portland, acting by and through the
Portland Development Commission,
the urban renewal agency for the City of Portland
By 
Bruce Warner, Executive Director
Date 8/29/08

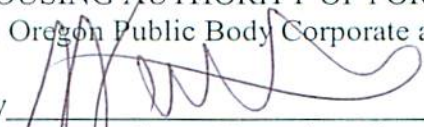
SELLER
HOUSING AUTHORITY OF PORTLAND,
an Oregon Public Body Corporate and Politic
By 
Steve Rudman, Executive Director
Date Aug. 27 2008

EXHIBIT A

Legal Description

**Lots 1 and 2, EXCEPT the Southerly 20 feet in Burnside Street, and Lot 4, Block 32, COUCH'S
ADDITION TO THE CITY OF PORTLAND, in the City of Portland, Multnomah County,
Oregon.**

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6630

TITLE: AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT WITH THE HOUSING AUTHORITY OF PORTLAND FOR THE ACQUISITION OF THE GROVE HOTEL LOCATED AT 401- 439 WEST BURNSIDE IN THE RIVER DISTRICT URBAN RENEWAL AREA

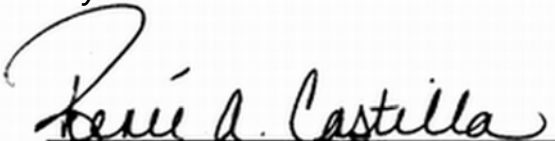
Adopted by the Portland Development Commission on August 13, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Charles Wilhoite, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Vacant	<input 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 duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: September 24, 2008