

AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY

IN THE INTERSTATE CORRIDOR URBAN RENEWAL AREA

THE PORTLAND HOUSING BUREAU

and

PCRI NORTHEAST HOUSING LLC

dated

April __, 2017

AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY

This AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY (this “Agreement”) is made and entered this __ day of April __, 2017 (the “Effective Date”), by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND HOUSING BUREAU (“PHB”) and PCRI Northeast Housing LLC (“Developer”, “Developer’s Principal”). PHB and Developer may be referred to jointly in this Agreement as the “Parties” and individually as a “Party.”

RECITALS

- A.** PHB is charged with developing and implementing housing policies for the City of Portland (the “City”) that increase the availability of housing affordable to low and moderate income households. PHB carries out this mission using a number of tools, including the disposition of real property and the financing of construction;
- B.** PHB owns certain real property located at 408 NE Ivy, 427 NE Cook St, and 3368 NE Martin Luther King Jr. Boulevard in Portland, Oregon and as further described in Section 2.2 herein (the “Property”), having acquired the Property pursuant to that certain Intergovernmental Agreement dated July 1, 2010 between PHB and the Portland Development Commission (“PDC”);
- C.** PDC acquired the Property in furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland for the development and redevelopment of blighted areas within the Urban Renewal Plan for the Interstate Corridor Urban Renewal Area (the “URA”), which was approved by the Portland City Council (“Council”) on August 23, 2000 by Ordinance No.174829 (as amended from time to time, the “Urban Renewal Plan”);
- D.** PHB, finding it necessary and in the public interest to implement its housing policies in the URA in accordance with the Urban Renewal Plan, released a Request for Qualifications (the “RFQ”) on April 29, 2015 for the redevelopment of the Property for affordable mixed-use housing development. As a result of the RFQ, PHB selected Developer;
- E.** Developer’s development of the Property will consist of a six-story, mixed-use building that, among other things, will include eighty (80) Affordable Rental Units (as hereinafter defined) on the upper floors and community and commercial space occupying the majority of the ground floor (collectively, the “Project”). The Project is more specifically described in the Scope of Development (as hereinafter defined);
- F.** The completion of the Project according to the terms of this Agreement, including the Scope of Development and the Schedule of Performance (as hereinafter defined), is a material inducement to PHB to enter into this Agreement; and
- G.** PHB finds that the fulfillment, generally, of this Agreement, and the intentions set forth herein, are in the vital and best interest of the City and the health, safety, and

welfare of its residents, and are in accord with the public purposes and provisions of the applicable state and federal laws and requirements under which the Urban Renewal Plan was adopted.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINED TERMS

Words that are capitalized, and that are not the first word of a sentence, are defined terms. A defined term has the meaning given it when it is first defined in this Agreement. 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. Defined terms may be used together and the combined defined term has the meaning of the combined defined terms. A defined term that is a noun may be used in its verb or adjective form and vice-versa. If there is any difference between the definition of a defined term in the text of this 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 Disposition and Development. PHB agrees to sell and convey the Property to Developer, and Developer agrees to purchase from PHB, and develop the Project on the Property upon the terms and conditions set forth in this Agreement.

2.2. Description of the Property. The Property that is the subject of this Agreement consists of the following: The land located at 408 NE Ivy, 427 NE Cook St, and 3368 NE Martin Luther King Jr. Boulevard in Portland, Oregon, as more particularly described in Exhibit B attached hereto (the "Land"), together with (i) all rights, privileges 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; and (ii) all improvements and fixtures located on the Land, including, without limitation all buildings and structures presently located on the Land, all apparatus, equipment and appliances used in connection with the operation or occupancy of the improvements and fixtures (which Land, together with the elements described above in (i) and (ii), is collectively referred to herein as the "Property").

2.3. Purchase Price. The purchase price for the Property is Zero Dollars (\$0) (the "Purchase Price").

2.4. AS IS Sale. Developer has examined and investigated the Property to its own satisfaction and has formed its own opinion as to the condition (including the environmental condition) and value thereof. Developer has not relied on any statements or representations from PHB or any person acting on behalf of PHB 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 Developer to use the Property or any portion thereof for any intended purpose, including the Project. Developer is acquiring the Property, in the condition existing at the time of Closing, AS IS, with all defects, if any. Developer waives, releases and forever discharges PHB and PHB'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. The provisions of this section will be included in the Deed, and will survive the Closing and are binding on the Developer and Developer's successors and assigns.

2.5. Access, Inspection, Due Diligence and Title Matters

- 2.5.1. Access and Inspection.** Before the Conveyance of the Property to Developer, and pursuant to a written permit of entry, PHB will allow Developer and Developer's employees, agents and consultants to enter upon the Property, at all reasonable times whenever and to the extent necessary to carry out the purposes of this Agreement.
- 2.5.2. Due Diligence Materials.** Developer acknowledges that PHB has provided Developer a Preliminary Title Report or Reports covering the Property, and exception documents referenced in the Preliminary Title Report or Reports (collectively, the "Title Report"). PHB has previously provided Developer copies of all documents with respect to the Property that PHB has in its possession, including the Environmental Reports.
- 2.5.3. Due Diligence and Title Review.** Developer has had the opportunity to review the Title Report and Environmental Reports and determined that Developer is satisfied with all aspects of the Property, including without limitation, the Environmental Reports, a survey of the Property, the Title Report, and any other documents or information Developer required in order to evaluate the feasibility of the Project and its decision to accept a Conveyance of the Property. Encumbrances existing as of the Effective Date are considered "Final Permitted Exceptions."
- 2.5.4. Title Insurance.** PHB will pay the cost of a standard coverage Owner's Policy of Title Insurance, issued by Escrow Agent (as hereinafter defined), covering the Property when conveyed, and insuring Developer in an amount equal to \$4,160,000, free and clear of encumbrances, except Final Permitted Exceptions. Developer, at its option and its expense, may elect to obtain extended coverage under such policy of title insurance, and PHB agrees to execute any affidavits or other documents reasonably required by the Escrow Agent to enable Developer to obtain such coverage. Developer may also elect to obtain a survey at its own expense.

3. REPRESENTATIONS AND WARRANTIES

3.1. PHB Representations and Warranties. PHB's representations and warranties under this Agreement are limited to the following. PHB hereby warrants and represents to Developer as of the Effective Date and as of the Closing Date the following:

- 3.1.1.** PHB 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 PHB in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein.
- 3.1.2.** To PHB's Knowledge, all Hazardous Substances on the Property, specifically the 3368 NE Martin Luther King, Jr. Boulevard site, had been remediated to levels required, subsequent to which the state of Oregon's Department of Environmental Quality has issued a No Further Action Letter dated July 20, 2006.
- 3.1.3.** PHB is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.
- 3.1.4.** To PHB's Knowledge, there is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or threatened, which may affect the Property, or PHB's ability to perform its obligations under this Agreement.
- 3.1.5.** To PHB's Knowledge, and except as otherwise disclosed in writing to Developer before the Effective Date, the Property has been operated in compliance with all applicable laws, rules, regulations, ordinances and other governmental requirements (collectively, "Laws").
- 3.1.6.** To PHB's Knowledge, PHB has not received any notice stating that the Property is in violation of any applicable laws, rules, regulations, ordinances or other governmental requirements.

3.2. Developer Representations and Warranties. Developer's representations and warranties under this Agreement are limited to the following. Developer hereby warrants and represents to PHB as of the Effective Date and as of the Closing Date the following:

- 3.2.1.** Developer is a limited partnership duly formed and existing in the State of Oregon.
- 3.2.2.** Developer 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 Developer 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 Developer are and shall be valid, legally binding obligations of and enforceable against Developer 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 Developer is a party.
- 3.2.5.** No representation, warranty or statement of Developer 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.** Developer enters into this Agreement without reliance on verbal representations by PHB, 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.** As of the Effective Date, Developer is not in default under this Agreement and no event has occurred that, with the passage of time or the giving of notice or both, would constitute a default of Developer under this Agreement.
- 3.2.8.** The persons executing this Agreement and the instruments referred to herein on behalf of Developer have the legal power, right and actual authority to bind Developer to the terms and conditions of this Agreement.

4. CONDITIONS PRECEDENT TO CLOSING

4.1. Conditions. Developer and PHB are not obligated to proceed with the Conveyance of the Property 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.

4.1.1. To the reasonable satisfaction of both PHB and Developer, which conditions must be waived in writing by both PHB and Developer if not satisfied:

- (i) The Drawings have been approved by all required governmental entities and/or agencies, including PHB pursuant to Section 7.2.
- (ii) All land use approvals and permits for the Project required by Title 33 of the Code of the City of Portland shall have been secured and no appeal of any required approval or permit shall have been filed, and the time for any such appeal shall have expired. If an appeal was filed, it shall have been finally resolved.
- (iii) Confirmation that the City of Portland Bureau of Development Services is ready to issue the building permits that are required to

construct the Project, subject only to Developer's ownership of the Property.

- (iv) All financing necessary to construct the Project has closed and/or Developer has obtained non-contingent commitments for such financing.
- (v) The Parties have agreed to the final form of the Loan Documents and any other documents necessary to close the Conveyance of the Property to Developer and to finance the Project.
- (vi) No litigation is pending that prevents PHB or Developer from performing their respective obligations under this Agreement.

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

- (i) PHB 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 PHB under this Agreement.
- (ii) No material adverse change in the physical or legal condition of the Property has occurred.
- (iii) The Title Company is prepared to issue to Developer the form of Title Insurance selected by Developer under Section 2.5, covering the Property in an amount equal to \$4,160,000, subject only to the Final Permitted Exceptions.

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

- (i) Developer has provided to PHB documentation that:
 - (a) Developer is a legal entity qualified to do business in the state of Oregon;
 - (b) Developer 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 Developer, by an authorized individual.
- (ii) Title Company has issued to PHB a binding commitment, satisfactory to PHB, to issue a lender's extended title insurance policy covering the Property in an amount equal to \$7,350,000.
- (iii) PHB has approved the Project Budget and Developer has demonstrated financial feasibility for the Project, consistent with the Project Budget, by providing to PHB:
 - (a) The General Contractor's guaranteed maximum price (GMP);

and

- (b) The Project Budget and proforma which includes all final sources of financing and all final construction and construction related costs as well as a final projected 30 year cash flow statement including projected operating expenses, operating income, debt payments and operating assumptions applicable thereto.
- (iv) Developer 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 Developer under this Agreement.
- (v) Council has authorized PHB to provide financing to Developer for the Project in accordance with the Loan Documents.
- (vi) The Parties have entered into the Compliance Agreement concerning Oregon Prevailing Wage Law.
- (vii) Developer has provided evidence that the Project is able to provide the services contemplated in Developer's Proposal for the Project.

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 (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) or determined in accordance with Section 14.8.3, then this Agreement shall terminate sixty (60) 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 60-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 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.

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 (“Escrow”).
- 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. In the event that 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.

- 5.2.1.** Unless extended in accordance with Section 5.2.2, the Closing shall occur after satisfaction or waiver of the conditions set forth in Section 4.1, but in no event later than April 30, 2017 (the “Closing Date”).
- 5.2.2.** The Closing Date may not be extended without the consent of both Parties, unless extended pursuant to Section 14.1 or Section 14.8.3.

5.3. Conveyance by Deed. Subject to satisfaction of the Conditions Precedent to Closing set forth above, at the Closing PHB will convey the Property to Developer by a statutory Bargain and Sale Deed, substantially in the form attached hereto as Exhibit C (the “Deed”).

5.4. Documents to Be Deposited Into Escrow by PHB. On or before the Closing Date, PHB shall deposit into Escrow all of the following:

- 5.4.1.** A duly executed and acknowledged Deed.
- 5.4.2.** An original certificate of non-foreign person duly executed by PHB and notarized.
- 5.4.3.** Such documents as the Escrow Agent may require to establish the authority of PHB to complete the sale of the Property as contemplated by this Agreement, and to issue title insurance in the form required by Developer.
- 5.4.4.** Such documents as the Escrow Agent may require to complete the sale of the Property as contemplated by this Agreement.
- 5.4.5.** Duly executed Loan Documents.

5.5. Documents and Sums to Be Deposited Into Escrow by Developer. On or before the Closing Date, Developer shall deposit into Escrow such funds (by wire transfer) as are necessary to pay Developer's portion of the Closing costs and prorations as described in Section 5.6. Developer shall also deposit into Escrow the following:

5.5.1. Such documents as the Escrow Agent may require to complete the sale of the Property as contemplated by this Agreement.

5.5.2. Duly executed Loan Documents.

5.6. Prorations and Costs.

5.6.1. Closing Costs. The costs for recording a Memorandum of this Agreement (as hereinafter defined) and the Deed shall be paid by PHB. The costs for recording any other documents required by Developer to be recorded will be paid by Developer. Each Party shall pay one-half (1/2) of any escrow fees charged by the Title Company (the "Escrow Agent"). The cost of Title Insurance shall be paid in accordance with Section 2.5. All other Closing costs, if any, shall be allocated in accordance with the customary practice in Multnomah County.

5.6.2. 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). PHB agrees that any taxes, assessments and encumbrances that will be a lien against the Property at the Closing, whether or not those charges would constitute a lien against the Property at settlement, shall be satisfied by PHB. If PHB shall fail to do so, Developer may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price of the Property. 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. Developer shall pay any property taxes on the Property beginning on the day following the Closing.

5.6.3. Utilities. Developer is responsible for causing all meters for electricity, gas, water, sewer or other utility usage at the Property, if any to be read on the Closing Date, and PHB 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 therefore.

5.6.4. 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 Developer 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. PHB 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. Developer 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. Developer and the PHB

shall each pay their own legal and professional fees of other consultants incurred by Developer and PHB, respectively.

6. INFRASTRUCTURE, UTILITIES AND LAND CONDITION

- 6.1. Infrastructure Improvements.** As part of the Project, Developer, at its own cost, will design, construct, fund and obtain permits for all Infrastructure.
- 6.2. Site Preparation.** As part of the Project, Developer will, at its own cost, complete all necessary site preparation generally in accordance with the Schedule of Performance.
- 6.3. Utility Service.** As part of the Project, Developer shall install, connect, and upgrade new and existing utilities necessary to serve the Project.
- 6.4. Subsurface and Surface Conditions.** Except as otherwise specifically set forth in this Agreement and in the Conveyance documents executed by PHB at the Closing, PHB makes no warranties or representations that the soil conditions, Environmental Conditions or any other conditions of the Property or structures thereon are suitable for any improvements, including the Project. Developer acknowledges that it has not relied on any verbal representations made by the PHB as to the soil conditions, Environmental Conditions or any other conditions of the Property. Developer acknowledges that it has had free access to PHB's records with respect to the condition of the Property, specifically including the Environmental Reports.
- 6.5.** Developer will prepare any Remedial Action Plan to describe the steps to be taken to address findings contained in the Phase 2 Environmental Report it commissioned.
- 6.6.** Developer will prepare a Contaminated Media Management Plan to describe the protocol for handling, management, characterization, and disposal of any potentially impacted media that will be encountered during construction.

7. DEVELOPMENT

- 7.1. Project Financing.** Except as described in Section 7.1.1 below, Developer will be responsible for obtaining from third parties all funds and financing necessary to acquire the Property and construct and operate the Project. The Parties anticipate that the Project financing will be structured generally as shown in the Project Budget attached hereto as Exhibit D. The Parties acknowledge and agree that the Project Budget is only a projection and that a number of factors may change this projection including interest rates, lender requirements, market shifts, and the soft and hard development costs.

- 7.1.1. PHB Financing.** PHB will provide a portion of the construction and permanent financing for the Project in accordance with the Loan Documents.

7.2. PHB Review and Approval of Drawings.

- 7.2.1. Review and Approval.** The Scope of Development is described in Exhibit E. Developer prepared Construction Documents and Technical Specifications for the Project (collectively, the "Drawings") and submitted them to PHB for review and approval.

7.2.2. Changes in Approved Drawings. Developer shall submit to PHB for review any substantial changes to any previously approved Drawings. A substantial change shall mean any change that would have a material impact on the function, appearance or cost of the Project. Developer acknowledges that it may be required to secure separate City approval of such changes. Any separate City approvals shall be sought after PHB has approved the changes. PHB may assist Developer throughout any City design review process of the appropriate bureaus or agencies within the City, but PHB does not represent or warrant that its assistance will guarantee approval.

7.2.3. Project Rendering. Developer will provide PHB with at least one electronic and one hardcopy color rendering of the Project prior to Closing.

7.3. Diligent Completion. Subject to the terms and conditions of this Agreement (including any Unavoidable Delay as defined in Section 14.8), Developer covenants to complete the development of the Project in substantial conformance with the Drawings and in accordance with the Schedule of Performance attached hereto as Exhibit F (the "Schedule of Performance"). Subject to delays permitted in accordance with the terms of this Agreement, Developer shall complete development of the Project no later than the date for completion of construction set forth in the Schedule of Performance. Developer agrees to keep PHB informed of its progress with respect to development of the Project during construction, with periodic reports to be issued no less frequently than once a month until PHB issues the Certificate of Completion for the Project. Project development includes:

7.3.1. Entering into all necessary architectural and construction contracts;

7.3.2. Securing all necessary public entitlements and building permits;

7.3.3. Securing all financing necessary to complete the Project, consistent with the Project Budget.

7.4. Oregon Prevailing Wage Law. The Parties hereby acknowledge that the Project is a "public work" subject to ORS 279C.800 to 279C.870 and the administrative rules adopted thereunder (the "Oregon Prevailing Wage Law"). Accordingly, the Parties have entered into, and shall perform and discharge their obligations under that certain Compliance Agreement of even date herewith (the "Compliance Agreement") to implement their compliance with the Oregon Prevailing Wage Law with respect to the Project.

7.5. Inspection and Property Access.

7.5.1. Before Closing. Before Closing, PHB will allow Developer and/or Developer's employees, agents and consultants to enter upon the Property in reasonable furtherance of the transaction contemplated in this Agreement pursuant to a written permit of entry.

7.5.2. After Closing. After Closing, during construction of the Project, and until the Certificate of Completion is issued, Developer's work shall, upon reasonable notice, be accessible at all reasonable times for inspection by representatives of PHB. PHB agrees not to interfere with the work occurring on the Property. In connection with any entry onto the Property after Closing, PHB agrees to: (i) coordinate access with

Developer or Developer's contractor to reduce the risk of injury; and (ii) follow all reasonable safety rules of Developer or Developer's contractor.

7.6. Safety Matters and Indemnification. Developer shall:

7.6.1. Safety. Comply with all safety laws and take all reasonable safety measures necessary to protect its employees and PHB's employees, agents, contractors, subcontractors, licensees and invitees, their personal property, and improvements of each, from injury or damage caused by or resulting from the performance of its construction.

7.6.2. Indemnity from Liability Claims. Indemnify, defend (at PHB's request) and hold harmless PHB, and its successors and assigns, from and against all claims, costs, expenses, losses, damages and liabilities whatsoever arising from or in connection with the death of, or injury, loss or damage whatsoever caused to, any person or to the property of any person during the process of the construction work or the performance of Developer's other obligations under this Agreement, except to the extent: (a) caused solely by PHB or its employees, agents, contractors, subcontractors, licensees or invitees; or (b) caused by the gross negligence or willful misconduct of PHB or its employees, agents, contractors, subcontractors, licensees or invitees. The indemnity set forth in this Section 7.6.2 shall survive the issuance of the Certificate of Completion and any termination of this Agreement.

7.6.3. Indemnity from Liens. Indemnify, defend (at PHB's request) and hold harmless PHB, and its successors and assigns, from and against all claims, costs, expenses, losses, damages and liabilities whatsoever arising from or in connection with any mechanics', materialmen's, laborers' or other construction or statutory liens filed against any portion of the Property or the Project or arising from or related to construction on the Property or the Project performed by or at the request of Developer or Developer's contractors or agents. The indemnity set forth in this Section 7.6.3 shall survive the issuance of the Certificate of Completion and any termination of this Agreement.

7.7. Liens. If any statutory lien shall be filed prior to PHB's issuance of the Certificate of Completion against any portion of the Project by reason of labor, services or materials supplied to or at the request of Developer or Developer's contractors or agents or in connection with any construction on the Project, Developer shall, within thirty (30) days after the filing thereof, take whatever action is necessary and proper (including posting a bond or a cash deposit and taking such further action as may be required by the Oregon Construction Lien Law), so that the Project shall thereafter be entirely free of the lien. Alternatively, Developer may elect to leave the lien of record and to contest its validity, amount or applicability by appropriate legal proceedings, but only if Developer shall, within the 30-day period following the filing of the lien, furnish an indemnity against such lien in an amount and form satisfactory to induce the title insurance company which insured title to the Property to insure over such lien or to reissue or update its existing policy, binder or commitment without showing any title exception by reason of such lien; provided, further, that in such event, (i) Developer shall indemnify and hold harmless PHB from all loss, damage, liability, expense or claim whatsoever (including attorneys' fees and other costs of defending against the foregoing) resulting from the assertion of any such lien, and (ii) in the event such legal proceedings shall be finally concluded (so that no

further appeal may be taken) adversely to Developer, Developer shall within fifteen (15) days thereafter cause the lien to be discharged of record.

7.8. Compliance with Laws and Use Restrictions. Developer will comply with, or cause the Project to comply with, all laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality applicable to Developer, the Project, or the operation thereof, including, without limitation:

7.8.1. All applicable health and safety, environmental, and zoning laws, and

7.8.2. All requirements or restrictions pertaining to the construction, use, occupancy or operation of the Project arising from the original source of any funds used by Developer to complete the Project.

7.9. Certificate of Completion.

7.9.1. When Developer is Entitled to Certificate of Completion. Upon substantial completion of the Project as described in this Section 7.9 on or before the date for completion of the construction set forth in the Schedule of Performance and provided Developer is not in default under this Agreement after the lapse of any applicable notice and cure period, PHB will furnish Developer with a Certificate of Completion for the Project. The Project will be deemed to be substantially complete when:

- i. PHB reasonably determines that the Project is complete according to the Drawings, except for punch-list items that do not materially affect the use of the Project for the purposes intended under this Agreement;
- ii. Developer has completed all environmental remediation and abatement on the Property, if any, required of Developer under Section 8; and
- iii. The City has issued a temporary or permanent Certificate(s) of Occupancy with respect to the Project.

7.9.2. Form and Effect of the Certificate of Completion. A Certificate of Completion shall be substantially in the form of Exhibit G and in a form that can be recorded in the real property records of Multnomah County. The Certificate of Completion shall provide for termination of obligations under this Agreement and limitation of remedies of PHB as expressly provided for in the Certificate of Completion. At Developer's request, the Certificate of Completion shall state which terms and conditions of this Agreement are of no further force and effect.

7.9.3. Procedure Where PHB Refuses to Issue. If PHB refuses or fails to provide a Certificate of Completion in accordance with this Section 7.9, then PHB, within thirty (30) days after written request by Developer for such Certificate of Completion, shall provide Developer with a written statement indicating in detail in what respects Developer has failed to complete the Project in accordance with the provisions of this Agreement or is otherwise in default and what measures or acts Developer must take or perform to obtain such Certificate of Completion. PHB's failure to furnish Developer with such detailed written statement within such thirty (30) day period shall be deemed PHB's approval of Developer's request for the Certificate of Completion.

8. ENVIRONMENTAL CONDITION OF THE PROPERTY AND PARTIES' RESPONSIBILITIES

8.1. Phase I Environmental Site Assessment. Developer shall 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). Developer shall provide a copy of such Phase I Environmental Site Assessment to PHB, promptly after Developer's receipt thereof.

8.2. Indemnification. Developer shall be responsible for compliance with all Environmental Laws with respect to the Property, its 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. In addition, Developer shall be responsible for all environmental remediation and abatement of Recognized Environmental Conditions and Unforeseen Environmental Conditions on the Property. Developer shall defend (at PHB's request), indemnify and hold harmless PHB, its successors and assigns, from and against all claims, costs, expenses, losses, damages, and liabilities, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by PHB, its successors or assigns, or asserted against PHB, 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, Recognized Environmental Conditions or Unforeseen Environmental Conditions on the Property. The indemnity set forth in this Section 8.2 shall survive the issuance of the Certificate of Completion and any termination of this Agreement.

8.3. 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 Prior to Issuance of Certificate of Completion. Because it is a municipal entity, PHB is uniquely benefited by completion of the Project. Developer is uniquely qualified to construct and manage the Project. The anti-assignment provisions of this Section 9.1 are reasonable and necessary to provide to each Party the benefit of the transaction implemented through this Agreement.

9.1.1. Except as provided in this Section 9.1.1 and as provided in Section 9.2, prior to the issuance of a Certificate of Completion, Developer shall not partially or wholly transfer or dispose of or agree to transfer or dispose of the Property, the Project, or Developer's interest in this Agreement without the prior written approval of the PHB, which may be withheld in PHB's sole discretion. Without limiting PHB's discretion to withhold its approval in any event, PHB is unlikely to approve a transfer or disposition if: (a) the transfer or disposition violates another provision of this Agreement, (b) the proposed transferee does not possess qualifications and financial capacity equal to or superior to that of Developer, or (c) the transfer or disposition will cause a material delay in completion of the Project.

9.1.2. PCRI Northeast Housing LLC, an Oregon limited liability corporation (“Developer’s Principal”) shall retain the managing general partner interest in the Developer and retain control of the management of the Developer, subject to the terms of that certain Limited Partnership Agreement/Operating Agreement by and between Developer and _____ dated _____ (the “Limited Partnership Agreement^[BSI]”).

9.2. Approved Transfers Prior to Issuance of Certificate of Completion. Notwithstanding Section 9.1 above, and provided that Developer provides PHB with copies of all agreements related to the transfer at least ten (10) Business Days prior to the effective date of the proposed transfer, and any other information reasonably necessary for PHB to determine whether such transfer complies with the requirements of this Agreement, PHB hereby consents to:

9.2.1. An assignment of Developer’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 or limited partnership provided that Developer’s Principals hold a controlling ownership interest in the assignee, are the managing members or general partners of such assignee and retain control of the operations of the assignee. Notwithstanding an assignment under this Section 9.2.1, Developer shall remain fully responsible to PHB for performance of this Agreement.

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

9.2.3. The right of the limited partner(s) of Developer to remove and replace the Developer’s Principal in the event of specified defaults, if provided under the terms of the Limited Partnership Agreement.

10. COMPLIANCE WITH CITY POLICIES

10.1. The City’s Good Faith Effort Program (“GFE Program”) and Workforce Training and Hiring Program (“WTH Program”) ensure fair and equitable opportunities to Portland’s diverse populations, promote prosperity in all segments of Portland’s diverse communities, foster economic growth, and expand competition in the market. Within ten (10) days of the Effective Date, Developer shall contact the PHB Construction Coordinator to obtain the GFE Program Specifications and the WTH Program Specifications (each, the “Specifications”) that outline the procedural requirements of the respective programs, including the reporting requirements to the City. The Project is subject to both the GFE Program and the WTH Program as follows:

10.1.1. GFE Program. The purpose of the GFE Program is to ensure that PHB provides professional, supplier and construction contracting opportunities to State certified minority-owned, women-owned and emerging small businesses (collectively, “Certified Firms”) in connection with PHB projects. The utilization goal for Certified Firms in connection with the Project is twenty percent (20%) of the Project’s hard construction costs. The Developer shall comply with the GFE Program by including provisions in its contract with its General Contractor that require the General Contractor to comply with the Specifications and otherwise causing its General Contractor, and the subcontractors thereof, to comply with the Specifications in

connection with the Project. Developer shall also comply with all portions of the GFE Program applicable directly to Developer. The failure of Developer or Developer's General Contractor, or the subcontractors thereof, to comply with the Specifications within the applicable notice and cure periods shall constitute a breach of a material provision of this Agreement. Provided that the Specifications are followed, failure to meet the specific utilization goal for Certified Firms shall not constitute a breach of a material provision of this Agreement.

10.1.2. WTH Program. The purpose of the WTH Program is to maximize apprenticeship opportunities in the construction trades and ensure employment opportunities for People of Color and women and encourage the employment of people with disabilities and veterans in connection with PHB projects. In connection with the Project, Developer shall comply with the WTH Program by: (i) including provisions in its contract with its General Contractor that require the General Contractor to comply with the Specifications and otherwise causing its General Contractor, and the subcontractors thereof, to comply with the WTH Program in connection with the Project; and (ii) complying with all portions of the WTH Program applicable directly to Developer. Projects subject to the WTH Program require contractors to ensure that a minimum of 20% of labor hours in each apprenticeable trade performed by the General Contractor and subcontractors are worked by state-registered apprentices. The failure of Developer or Developer's General Contractor, or the subcontractors thereof, to comply with the Specifications or to meet the required percentage of apprentice hours (not the specific goals for participation by People of Color or women on the Project) of the Workforce Equity Program within the applicable notice and cure period shall constitute a breach of a material provision of this Agreement.

10.2. EEO Certification. Developer shall comply with the City's EEO Certification Program by including provisions in its contract with its General Contractor that require the General Contractor to comply with the EEO Certification Program and otherwise causing its General Contractor, and the subcontractors thereof, to comply with the EEO Certification Program. Developer shall also comply with all portions of the EEO Certification Program applicable directly to Developer and with all applicable provisions of Federal or state statutes and regulations and City ordinances concerning equal employment opportunities for persons engaged in the Project. The failure of Developer or Developer's General Contractor, or the subcontractors thereof, to comply with the EEO Certification Program or other applicable equal employment opportunity law shall constitute a breach of a material provision of this Agreement.

10.3. COMPLIANCE WITH OTHER PHB POLICIES

10.4. Funding Acknowledgement / Signage. Developer shall display a sign, provided by PHB, near the Project, readily visible to the public, specifying that the Project is being done "*in partnership with the Portland Housing Bureau*". The sign shall remain in place until PHB issues the Certificate of Completion.

10.5. Preference Policy. Developer will adhere to PHB's Preference Policy with regard to selection of tenants.

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

11.1. Surviving Sections. The following Sections of this Agreement shall survive and remain in effect for the periods identified herein notwithstanding issuance of the Certificate of Completion: Section 2.4 (AS IS), Section 7.6.2 (INDEMNITY FROM LIABILITY CLAIMS), Section 7.6.3 (INDEMNITY FROM LIENS), Section 8.2 (INDEMNIFICATION), and Section 10 (COMPLIANCE WITH OTHER PHB POLICIES),

12. MORTGAGEE PROTECTION PROVISIONS

12.1. Effect of Revesting on Mortgages. Any reversion and revesting of the Property or any portion thereof in PHB pursuant to this Agreement shall always be subordinate to, subject to and limited by, and shall not defeat, render invalid, or limit in any way, any Mortgage.

12.2. Mortgagee Not Obligated To Construct. Notwithstanding any of the provisions of the Agreement, except those that are covenants running with the Property, if any, a Mortgagee or its designee for purposes of acquiring title at foreclosure shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements in the Property or to guarantee such construction or completion; provided, however that nothing in this Agreement shall be deemed or construed to permit or authorize any such Mortgagee to devote the Property or any part thereof to any uses, or to construct any improvements thereon other than those uses or improvements provided or permitted in this Agreement.

12.3. Copy of Notice of Default to Mortgagee. If PHB delivers a notice or demand to Developer with respect to Developer's breach of this Agreement, PHB shall at the same time send a copy of such notice or demand to each Mortgagee approved by PHB, at the last address of such holder shown in the records of PHB. Failure of PHB to send a copy of such notice or demand to a Mortgagee shall not prevent or limit in any way PHB's rights and remedies under this Agreement or create any liability for PHB.

12.4. Mortgagee's Options to Cure Defaults. After Developer's default of this Agreement and if Developer fails to cure or remedy said default within the required time period, then each Mortgagee shall have thirty (30) days after passage of the latest date for Developer's cure or remedy of the default, to cure or remedy the default itself, if cure or remedy thereof is permitted by this Agreement. If a Mortgagee does cure or remedy the default within such thirty (30) day period, the Mortgagee may add the cost thereof to the Mortgage debt and the lien of its Mortgage, if permitted by its loan documents. If the default is with respect to construction of the Project, nothing contained in this Agreement shall be deemed to prohibit such Mortgagee, either before or after foreclosure or action in lieu thereof, from undertaking or continuing the construction or completion of the improvements, provided that the Mortgagee notifies PHB in writing of its intention to complete the Project according to the approved Drawings. Any Mortgagee who properly completes the Project shall be entitled to issuance of a Certificate of Completion, upon written request made to PHB following the procedures set forth in Section 7.9 above.

12.5. Amendments Requested by Mortgagee. PHB shall execute amendments to this Agreement or separate agreements to the extent reasonably requested by a Mortgagee

proposing to make a loan to Developer secured by a security interest in all or any part of the Property or the Project, provided that such proposed amendments or other agreements do not materially and adversely affect the rights of PHB or its interest in the Property.

13. DEFAULT AND REMEDIES

13.1. Default and Cure.

13.1.1. Default by Developer.

- (a) Developer shall be in default under this Agreement if Developer breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within one-hundred and eighty (180) days after Developer receives written notice from PHB specifying the breach. *The limited partner of Developer has the opportunity, but not the obligation, to cure any default in accordance with this Section 14.1.1*
- (b) Developer shall also be in default under this Agreement if Developer 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 that is not removed within one hundred eighty (180) days after appointment.

13.1.2. Default by PHB. PHB shall be in default under this Agreement if PHB breaches a material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after PHB receives written notice from Developer specifying the breach. In the case of a breach that cannot with due diligence be cured within a period of thirty (30) days, PHB shall be in default under this Agreement if PHB does not commence the cure of the breach within thirty (30) days after PHB receives written notice from Developer and thereafter diligently prosecute to completion such cure within sixty (60) days after the written notice from Developer.

13.2. PHB's Pre-Conveyance Remedies. If a Developer default (as described in Section 13.1.1) occurs before the Property is conveyed to Developer, PHB may, at its option: (i) terminate this Agreement by written notice to Developer; (ii) seek monetary damages against Developer; or (iii) specifically enforce the obligations of Developer under this Agreement. If PHB terminates this Agreement as provided in this Section 13.2, then Developer shall deliver to PHB within thirty (30) days after termination, copies of all Project market research, design documents, engineering documents, proformas and financial projections prepared for Developer by unrelated third parties, and which Developer is authorized to release. PHB may use any of the foregoing documents in any manner that PHB deems appropriate with the consent of any party having approval rights thereunder. PHB shall pay no compensation to Developer for the foregoing Project documents.

13.3. PHB's Post-Conveyance Remedies. If a Developer default (as described in Section 13.1.1) after the Property is conveyed to Developer, including but not limited to Developer's failure to complete the Project as required by Section 7.3, then PHB shall have the following remedies:

13.3.1. Subject to the Mortgagee protections specified in Section 13, PHB shall have the right to re-enter and take possession of the Property and to terminate (and revest in PHB) the Property conveyed by the Deed, terminate Developer's right to develop the Project, and resell the Property. The Conveyance of the Property to Developer shall be made upon, and the Deed shall provide for, a condition subsequent to the effect that, in the event of a Developer default (as described in Section 13.1.1), PHB, at its option, may, upon 30 days written notice of termination to Developer and the Escrow Agent (which notice and cure period is in addition to the notice and cure period under Section 14.1.1), declare a termination of Developer's rights, title, and interest in the Property. After delivery of such notice of termination, and in the event Developer fails to remedy, end or abrogate such default within the 30-day period in the manner stated in the notice of termination, all the title and rights and interest in the Property conveyed to Developer by the Deed, or to any successors or permitted assigns of Developer, shall be reconveyed to PHB by quitclaim deed and pursuant to the escrow instructions, each as set forth in Exhibit H. Any delay by PHB in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section 13.3 shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that PHB should not be constrained because of concepts of waiver, laches or estoppel so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this section or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by PHB with respect to any specific default by the Developer be considered or treated as a waiver of the rights of PHB with respect to any other defaults by the Developer or with respect to any particular default except to the extent specifically waived.

13.3.2. Developer shall deliver to PHB within thirty (30) days after reconveyance of the Property, copies of all Project market research, design documents, engineering documents, proformas and financial projections prepared for Developer by unrelated third parties, and which Developer is authorized to release. PHB may use any of the foregoing documents in any manner that PHB deems appropriate with the consent of any party having approval rights thereunder. PHB shall pay no compensation to Developer for the foregoing Project documents.

13.4. Developer's Pre-Conveyance Remedies. If a PHB default (as described in Section 14.1.2) occurs before PHB conveys the Property to Developer, Developer may, at its option: (i) terminate this Agreement by written notice to PHB without waiving any cause of action Developer may have against PHB, (ii) specifically enforce the obligations of PHB under this Agreement, or (iii) seek monetary damages against PHB.

Notwithstanding the preceding sentence, Developer shall not seek incidental, indirect, consequential, exemplary, statutory or other special damages or damages for lost opportunity or profits from PHB in connection with PHB's default.

13.5. Developer's Post-Conveyance Remedies. If a PHB default (as described in Section 14.1.2) occurs after PHB conveys the Property to Developer, Developer may specifically enforce the obligations of PHB under this Agreement, or seek monetary damages against PHB. Notwithstanding the preceding sentence, Developer shall not seek incidental, indirect, consequential, exemplary, statutory or other special damages or damages for lost opportunity or profits from PHB in connection with PHB's default.

13.6. 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.

13.7. Unavoidable Delay.

13.7.1. Neither a Party nor a Party's successor in interest shall be considered in breach of or in default with respect to any obligation under this Agreement if the delay in performance of such obligation ("Unavoidable Delay") is a result of conditions unforeseeable, beyond the Party's reasonable control, and without the Party's fault or negligence, including, events such as natural disasters (fire, flood, earthquake, storm, hurricane, or unusually severe weather), war, invasion, hostilities, terrorist activities, epidemic, quarantine, blockage, embargo, labor dispute, strike, malicious mischief, or explosion.

13.7.2. A Party asserting an Unavoidable Delay as an excuse for failure to perform the Party's obligation must, within thirty (30) days after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and estimated time of correction. The Party must thereafter do everything in its power to resume performance of the delayed obligation.

13.7.3. Unavoidable Delay will extend the time or times for performance of the Party's obligation for the period of the Unavoidable Delay. In no event will the time or times for performance of an obligation be extended for more than 180 days in the aggregate.

14. MISCELLANEOUS PROVISIONS

14.1. PHB Project Manager. For the purposes of managing the implementation of the provisions of this Agreement on behalf of PHB, PHB shall designate a Project Manager. At the Effective Date, the Project Manager is Siobain Beddow.

14.2. Discrimination. Developer, for itself and its successor and assigns, agrees that, during the construction of the Project, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, age, gender, sexual orientation or national origin.

14.3. Notice. Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail, postage prepaid, return receipt requested, (b) when received if personally delivered, or (c) if sent by e-mail or other form of electronic transmission, with receipt of confirmation that such transmission has been received, and:

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

TO BE NAMED
c/o Portland Community Reinvestment Initiatives, Inc
Attention: _____
6329 NE Martin Luther King Jr. Boulevard
Portland, Oregon 97211

With a copy to:

LEGAL FIRM TO BE NAMED
Attention:
Address
Portland, Oregon 972xx

With a copy to:

TO BE NAMED Investor contact
Attention: Asset Management

With a copy to:

TO BE NAMED senior lender contact
Attention: Commercial Real Estate Loan Administration

With a copy to:

To BE NAMED

Attention: Community Development Banking

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

Portland Housing Bureau
Attn: Siobain Beddow
421 SW 6th Ave., Suite 500
Portland, OR 97204

with a copy to:

Office of the City Attorney
Attn: Lisa Gramp
1221 SW 4th Ave., Room 430
Portland, OR 97204

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. Notice given in any other manner shall be effective upon receipt by the Party for whom the same is intended.

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

- 14.4. Merger.** None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring title to the Property from PHB to Developer or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.
- 14.5. 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.
- 14.6. 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.
- 14.7. 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 PHB or Developer 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.
- 14.8. 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.
- 14.9. 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.
- 14.10. 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.
- 14.11. Legal Purpose.** Developer agrees to use the Project solely for lawful purposes.
- 14.12. 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.
- 14.13. 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.
- 14.14. Amendments and Modifications.** Any modifications to this Agreement must be made in writing and executed by all Parties, with the approval of Council, if required.

Notwithstanding this general requirement, the PHB Director may approve minor modifications to this Agreement without Council approval. Any modifications to this Agreement made without the approval of Council must include an acknowledgement by PHB's legal counsel that such approval is not necessary.

14.15. 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.

14.16. 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.

14.17. Non-waiver of Government Rights. Subject to the terms and conditions of this Agreement, by making this Agreement and delivery of the Deed, PHB is specifically not obligating itself, the City, or any other agency with respect to any discretionary action relating to development or operation of the improvements to be constructed on the Property, including, but not limited to, rezoning, variances, environmental clearances or any other governmental approvals which are or may be required, except as expressly set forth herein.

14.18. Approvals. Where this Agreement requires the approval of PHB, PHB will approve or disapprove in writing within thirty (30) days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary, and further excepting construction change orders, to the extent governed by applicable loan documents, which will be processed according to the applicable loan documents. Failure by PHB to approve or disapprove within said period of time shall be deemed an approval. Any disapproval shall state the reasons for such disapproval. Approvals will not be unreasonably withheld, except where rights of approval are expressly reserved to PHB's sole discretion in this Agreement. Developer, upon receipt of such disapproval, shall revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to PHB within forty-five (45) days after receipt of the notice of disapproval.

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

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

14.21. 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.

14.22. Recording of Memorandum of Agreement. PHB will record a memorandum of this Agreement ("Memorandum of Agreement") within ten (10) days after the Effective Date. The form of the Memorandum of Agreement is attached as Exhibit I to this Agreement. When PHB issues to Developer a Certificate of Completion or if the

Agreement is terminated, the Parties shall cooperate to promptly record an Amended Memorandum of Agreement to reflect the surviving covenants of this Agreement.

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

14.24. 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 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.

Executed in multiple counterparts as of the Effective Date.

PHB:

CITY OF PORTLAND, a municipal corporation in the State of Oregon, acting by and through the Portland Housing Bureau

By: DO NOT EXECUTE

Kurt Creager, Director

APPROVED AS TO FORM:

DO NOT EXECUTE

Lisa Gramp, Deputy City Attorney

DEVELOPER:

_____, a _____

By: _____ DO NOT EXECUTE _____

Name: _____

Title: _____

EXHIBITS

Exhibit A.	Glossary
Exhibit B.	Description of the Property
Exhibit C.	Form of Deed
Exhibit D.	Project Budget
Exhibit E.	Scope of Development
Exhibit F.	Schedule of Performance
Exhibit G.	Form of Certificate of Completion
Exhibit H.	Form of Quitclaim Deeds and Escrow Instructions
Exhibit I.	Form of Memorandum of Agreement

EXHIBIT A

GLOSSARY

The following words and phrases have the designated meanings in this Agreement:

1. **“City”** means the municipal corporation of the City of Portland, Oregon and its constituent bureaus and agencies, except PHB.
2. **“City Design Review”** means review by the City of Portland, Bureau of Development Services in accordance with Title 33.825 of the Code of the City of Portland.
3. **“Closing”** means the transfer of any portion of the Property to Developer by PHB by recording of the Deed and handling of all other necessary documentation by the Escrow Agent.
4. **“Construction Drawings and Technical Specifications”** means documents, based upon the Design Development Drawings, that set forth in detail the requirements for construction of the Project pursuant to the terms of this Agreement, approved by the appropriate City agencies. Construction Drawings and Technical Specifications shall include drawings and specifications that establish in detail the quality levels of materials and systems required for the Project.
5. **“Conveyance”** means the transfer of fee simple title to any portion of the Property by PHB to Developer.
6. **“Design Development Drawings”** means the detailed plans submitted for City Design Review, including but not limited to:
 - Architectural site plans showing all structures upon the site together with all connections to existing or proposed utilities, roads, sidewalks and alleys;
 - A general landscaping concept plan;
 - Elevations of the buildings to determine the site lines and the specific configuration and relationship of design elements of the building exteriors, which describe the aesthetic and technical aspects, including materials, of the building exteriors;
 - A calculation of gross building areas, floor areas, height ratios and open spaces; and
 - A preliminary exterior finish schedule.
7. **“DEQ”** means the Oregon Department of Environmental Quality.
8. **“Developer’s Proposal”** means that certain proposal made by Gerding Edlen and Portland Community Reinvestment Initiatives, Inc.
9. **“EEO Certification Program”** means the program run by the City requiring contractors to certify that they do not discriminate against any employee or applicant on the basis of race, religion, color, sex, marital status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income, and that they take steps to ensure equal opportunity in all aspects of employment aspects including, but not limited to, hiring, promotion, transfer, advertising, layoff, termination, rates of pay, training (including apprenticeship), and terms and conditions of employment.

10. **“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.
11. **“Environmental Reports”** means reports of investigations performed as part of environmental due diligence, which may include Phase I, Phase 2 and Hazardous Building Site Assessments and reports, documents or documentation of Recognized Environmental Conditions that PHB has completed or PHB has in its possession, completed by others.
12. **“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.
13. **“General Contractor”** means Colas Construction or any other contractor as Developer may elect consistent with this Agreement.
14. **“Hazardous Substances”** means any pollutant, dangerous substance, toxic substance, asbestos, petroleum, petroleum product, hazardous waste, hazardous materials or hazardous substance as defined in or regulated by Chapter 466 of the Oregon Revised Statutes, the Resource Conservation Recovery Act, as amended, 42 USC Section 6901, et seq. (“RCRA”), the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC Section 9601, et seq. (“CERCLA”), or any other Environmental Law.
15. **“Infrastructure”** means public streets, sidewalks, alleys, and driveway approaches, connections to garages, planting street trees and grass in planting strips, stormwater mitigation, street and parking lot lighting, construction and connection of the Project to abutting potable water and sewer and storm sewer mains, connecting the Project to gas and electric and other necessary utility services, and all permitting for any of the above as further described in the Scope of Development.
16. **“Loan Documents”** include the Loan Agreement, Promissory Note, Trust Deed and any other agreement in connection with PHB’s portion of the construction and permanent financing for the Project.
17. **“Grant Warehouse”** means an 80 residential rental unit mixed use project to be built on this site.
18. **“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 PHB and recorded in the real property records of Multnomah County, Oregon. PHB hereby approves that certain Deed of Trust dated _____, 2017 with PCRI Northeast Housing LLC[BS2] as[BS3] Beneficiary.

19. **“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.
20. **“Notice”** means any summons, citation, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, issued by the Oregon Department of Environmental Quality (“DEQ”), the United States Environmental Protection Agency, PHB, or other federal, state or local authority or any other government having jurisdiction with respect to the Property.
21. **“PHB’s Knowledge”** means the actual current knowledge of the PHB Project Manager, without any duty of inquiry or investigation.
22. **“Preliminary Design Documents”** means the site drawings for the Project including schematic, massing, feasibility and preliminary cost estimates for the Project in the form approved by PHB and that were the basis for entering into this Agreement.
23. **“Project Budget”** means the updated and revised estimated sources and uses of funds, cash flow submitted by Developer to PHB prior to Closing as further described in this Agreement and set forth in Exhibit D.
24. **“Recognized Environmental Conditions”** means the presence or likely presence of a Hazardous Substance on the Property under conditions that indicate an existing Release, a past Release, or a material threat of a Release of a Hazardous Substance into structures on the Property or into the ground, ground water, or surface water of the Property, whether or not the Release is in compliance with applicable law. Recognized 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.
25. **“Release”** means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping.
26. **“Schedule of Performance”** means the document describing the schedule by which construction and development of the Project will occur, attached hereto as Exhibit F.
27. **“Scope of Development”** means the description of the improvements to be built comprising the Project, attached hereto as Exhibit E.
28. **“Title Company”** means Lawyers’ Title with offices located at [ADDRESS].
29. **“Unforeseen Environmental Conditions”** means the presence of a Hazardous Substance on the Property that is not identified in the Environmental Due Diligence Reports and that constitutes a Recognized Environmental Condition that, pursuant to Environmental Laws,

will require remediation or abatement using means and methods that are prescribed by the Oregon Department of Environmental Quality.

EXHIBIT B

DESCRIPTION OF PROPERTY

EXHIBIT C

FORM OF BARGAIN AND SALE DEED

**After Recording Return to and
Tax Statements to be Sent to:**

Portland Housing Bureau
421 SW 6th Avenue, Suite 500
Portland, OR 97204
Attn: Loan Servicing

BARGAIN AND SALE DEED

KNOW ALL PERSONS BY THESE PRESENT, that the **CITY OF PORTLAND**, a municipal corporation of the State of Oregon, acting by and through the **PORTLAND HOUSING BUREAU**, (which, together with any successor public agency designated by or pursuant to law, "PHB"), does hereby grant, bargain, sell and convey to **PARTNERSHIP NAME**, an Oregon limited partnership (the "Developer"), and unto its successors and assigns, all the real property, with the tenements, hereditaments and appurtenances (the "Property"), situated in the County of Multnomah and State of Oregon, legally described on the attached Schedule 1.

The conveyance is made pursuant to that certain Agreement for Disposition and Development of Property between Developer and PHB, dated April ____, 2017, a Memorandum of which was recorded on ____, 20__ as Document No. ____, Records of Multnomah County, Oregon (the "DDA"). Capitalized terms used in this Deed without definition have the meaning ascribed to them in the DDA. The Developer has given other value as a portion of the consideration for this conveyance.

The conveyance is subject to the following:

(1) All easements, covenants, restrictions, conditions and encumbrances of record, as set out in Schedule "2" attached hereto and incorporated herein; and

(2) A condition subsequent to this conveyance, in the event of an default including any applicable cure period by Developer before PHB issues a Certificate of Completion, then PHB shall have the option, upon sixty (60) days written notice (hereinafter "Notice of Termination") to said Developer and the Escrow Agent, to declare a termination in favor of PHB of the title, and of all the rights and interest of Developer in the Property. After delivery of such Notice of Termination, and in the event Developer fails to remedy, end or abrogate such default within the 60-day period in the manner stated in the Notice of Termination, Developer shall reconvey the Property to PHB by quitclaim deed, pursuant to the Escrow Instructions in Exhibit K to the DDA.

(3) After the Certificate of Completion is recorded for the Property, PHB shall thereafter have, or be entitled to exercise, no rights or remedies or controls that it may otherwise have been entitled to exercise under the DDA with respect to the construction of such phase of the Project, including but not limited to the right of re-entry to the Property and reversion in PHB described in subparagraph 2 immediately above.

(4) Developer is acquiring the Property, in the condition existing at the time of Closing, AS IS, with all defects, if any. Developer waives, releases and forever discharges PHB and PHB'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.

This Deed is made by PHB 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 INTERSTATE CORRIDOR Urban Renewal Area approved by the City Council of the City on August 23, 2000, by Ordinance No. 174829.

It is intended that the delivery of this Deed shall not effect a merger of those provisions of the DDA that are intended by the terms of the DDA to continue after the delivery of this Deed.

TO HAVE AND TO HOLD the same unto the said Developer and unto its successors and assigns forever.

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. 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.

IN WITNESS WHEREOF, the City of Portland a municipal corporation of the State of Oregon acting by and through the PORTLAND HOUSING BUREAU, has caused this Deed to be executed this ____ day of April____, 2017.

CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND HOUSING BUREAU

By: ____DO NOT EXECUTE_____
Kurt Creager, Director

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me this ____ day of April, 2017 by Kurt Creager as Interim Director of the City of PORTLAND HOUSING BUREAU, on its behalf.

____DO NOT EXECUTE_____
Notary Public for Oregon
My commission expires: _____

SCHEDULE 1

ALBINA; LOT 26-31 BLOCK 13, in the City of Portland,
Multnomah County, Oregon.

Preliminary Title

SCHEDULE 2
Permitted Exceptions^[BS4]

5. Any lien, or right to lien, for unemployment taxes, workmen's compensation, services, labor, equipment rental or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
9. Terms and provisions of Final Finding and Decision by Design Commission
Recorded :
As :
By and between : City of Portland Bureau of Development Services to Grant Warehouse
10. Terms and provisions of Operations & Maintenance Agreement
Recorded : March 30, 2016
As : 2016-034080
By and between : To be named Borrower and The City of Portland
For : Private Stormwater Management Facilities

EXHIBIT D
PROJECT BUDGET

EXHIBIT E

SCOPE OF DEVELOPMENT

The Project, as initially referenced in Recital H, shall mean the development of a mixed-use project, including the following improvements:

EXHIBIT F

SCHEDULE OF PERFORMANCE

EXHIBIT G

FORM OF CERTIFICATE OF COMPLETION

After recording return to:

CERTIFICATE OF COMPLETION

CITY OF PORTLAND (the "City"), a municipal corporation of the State of Oregon, acting by and through the **PORTLAND HOUSING BUREAU**, ("PHB"), hereby certifies that _____, an Oregon _____, () has satisfactorily completed construction of the _____ Project as described in the Disposition and Development Agreement, dated _____, 20____, including subsequent amendments, of which a memorandum was recorded in the Records of Multnomah County, Oregon as Document No. _____, on _____, 20____, (which together are herein called the "_____"), encompassing the property legally described in Exhibit A.

Capitalized terms used herein without definition shall have the meaning ascribed to them in the Amended and Restated DDA.

Pursuant to Section ____ of the DDA, PHB hereby certifies that, without limitation:

- (i) the construction of all buildings in the Project are completed to the extent set forth in the Final Construction Plans and Specifications previously approved by PHB;
- (ii) the City of Portland has issued its Certificate of Occupancy with respect to the all such buildings in the Project; and
- (iii) any other improvements required by the terms of the DDA to have been completed at the time of the Project is complete have been completed in all material respects.

This Certificate of Completion is and shall be a conclusive determination of the satisfaction of all of the agreements, covenants and conditions contained in the DDA with respect to the obligations of _____, its successors and assigns, as to the construction of the Project, and such obligations are hereby terminated, except PHB shall retain all its rights and appropriate remedies (excluding reversion) for violation or default by _____ or successor(s) in interest or assigns of _____ of any of the provisions of Section ____ (use) of the DDA, which rights and remedies shall attach to the Land. This Certificate represents and certifies the completion of _____'s construction obligations described herein as to PHB only.

Any party acquiring or leasing any portion of the Project shall not (because of such purchase or lease) have any obligation under the DDA with respect to the construction of the Project, except PHB shall retain all its rights and appropriate remedies (excluding reversion) for violation or default by _____ or successor(s) in interest or assigns of _____ of any of the provisions of Section ____ (use) of the DDA, which rights and remedies shall attach to the Land.

IN WITNESS WHEREOF, PHB has caused this instrument to be executed this ____ day of _____, 20____.

PORTLAND HOUSING BUREAU

By: _____ DO NOT EXECUTE _____
Kurt Creager, Director

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me this ____ day of _____, 20__, by Javier Mean, as the Director of the Portland Housing Bureau.

Dated this _____ day of _____, 20__.

DO NOT EXECUTE
NOTARY PUBLIC FOR OREGON
My commission Expires: _____

EXHIBIT A

EXHIBIT H

FORM OF QUITCLAIM DEED AND ESCROW INSTRUCTIONS

After recording return to
and send tax statements to:

Portland Housing Bureau
421 SW 6th Avenue, Suite 500
Portland, OR 97204
Attn: Loan Servicing

For a valuable consideration, receipt of which is hereby acknowledged by PARTNERSHIP NAME an Oregon limited partnership ("Grantor"), does hereby demise, release and quitclaim to CITY OF PORTLAND acting by and through the PORTLAND HOUSING BUREAU, ("Grantee"), all right, title and interest in and to the following described real property, with the tenements, hereditaments and appurtenances, situated in the County of Multnomah and State of Oregon, to wit:

SEE ATTACHED EXHIBIT A

To have and to hold the same unto the said Grantee and Grantee's successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$0.00.

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. 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.

IN WITNESS WHEREOF, Grantor has executed this instrument this ____ day of AprilApril, 2017.

PARTNERSHIP NAME,
an Oregon limited partnership

By: PCRI Northeast Housing LLC

By: Portland Community Reinvestment Initiatives,
Inc. an Oregon

nonprofit corporation, Its Manager

By:____DO NOT EXECUTE_____

STATE OF OREGON)

) ss.

County of Multnomah)

The foregoing instrument was acknowledged before me this ____ day of AprilApril, 2017 by _____ as the _____ of Portland Community Reinvestment Initiatives, Inc., an Oregon nonprofit corporation, the manager of PCRI Northeast Housing LLC, an Oregon limited liability company, who is the managing general partner of MLK & Cook Apartments, Limited Partnership, an Oregon limited partnership.

DO NOT EXECUTE

Notary Public for Oregon

My commission expires: _____

Accepted this ____ day of April,2017.

CITY OF PORTLAND;

acting by and through the PORTLAND HOUSING BUREAU

By: _____

Kurt Creager, Director

FORM OF ESCROW INSTRUCTIONS FOR QUITCLAIM DEED

Lawyers Title of Oregon, LLC
121 SW Morrison St., Suite 500
Attention: Peggy Neikirk
Re: Escrow No.32F0003630

PARTNERSHIP NAME an Oregon limited partnership ("Developer"), has entered into that certain Agreement for Disposition and Development of Property (408 NE Ivy, 426 NE Cook St, and 3368 NE Martin Luther King Jr. Boulevard, Portland OR) ("DDA") with the City of Portland, Oregon acting by and through the Portland Housing Bureau ("PHB") dated as of AprilApril____, 2017, a Memorandum of which was recorded _____, 20__ as Document No. _____, Records of Multnomah County, Oregon, whereby PHB will convey to the Developer or its assignees certain real property (the "Property") in the Interstate Corridor Urban Renewal Area. The Property is the subject of this escrow and is described in the accompanying quitclaim deed ("Quitclaim Deed").

Section 14.3.1 of the DDA provides that, under certain circumstances, PHB is entitled to reconveyance of the Property pursuant to a Quitclaim Deed and Escrow Instructions. This document constitutes those escrow instructions and is for the purpose of irrevocably instructing you as to the disposition of the accompanying Quitclaim Deed.

In the event that you receive from PHB a notice signed by the PHB's Director certifying that a copy of said notice has been delivered concurrently to Developer and certifying that a termination in favor of PHB of the title, and of all of the rights and interest of Developer in the Property has occurred, and that rights to the Property described in the Quitclaim Deed have reverted in PHB pursuant to the DDA ("Notice of Termination"), you shall at the end of thirty (30) days after receipt of said instructions record the subject Quitclaim Deed unless within said thirty (30) day period, you are notified by PHB that PHB has withdrawn the Notice of Termination, or unless you are prohibited from recording the Quitclaim Deed(s) by temporary restraining order, preliminary injunction, or other court order.

In the event that you receive a copy of a Certificate of Completion issued by PHB with respect to the Project (either an original or one certified by Developer as being a duplicate of the original), you will forthwith return the Quitclaim Deed to Developer. In the event that there still remains in your possession an undisposed Quitclaim Deed by [insert date eighteen (18) months after DDA scheduled date for completion of improvements] you shall contact PHB and Developer as to its disposition.

These instructions may not be withdrawn or in any way amended, modified or waived without the prior written consent of both of the parties hereto.

Please indicate your acceptance of and agreement to carry out these instructions as indicated below.

Very truly yours,

PARTNERSHIP NAME,
an Oregon limited partnership
By: TO BE IDENTIFIED, an Oregon limited
liability company, Its Managing General Partner

By: Portland Community Reinvestment Initiatives, Inc., an Oregon
nonprofit corporation, Its Manager

By: DO NOT EXECUTE

Very truly yours,

CITY OF PORTLAND, acting by and through the
PORTLAND HOUSING BUREAU

By: DO NOT EXECUTE
Kurt Creager, Director

Accepted and agreed to this
day of April, 2017

LAWYERS TITLE OF OREGON, LLC

By
Peggy Neikirk, CSEO, LPO, AVP

EXHIBIT I

FORM OF MEMORANDUM OF AGREEMENT

After recording return to:

Portland Housing Bureau
421 SW 6th Avenue, Suite 500
Portland, OR 97204
Attn: _____

Memorandum of Agreement

THIS MEMORANDUM OF AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY ("Memorandum") shall serve as notice to all persons that the CITY OF PORTLAND (the "City"), a municipal corporation of the State of Oregon, acting by and through the PORTLAND HOUSING BUREAU ("PHB"), with an address of 421 SW 6th Avenue, Suite 500 and PARTNERSHIP NAME ("Developer") an Oregon limited partnership ("Developer"), with an address of _____, entered into an Agreement for Disposition and Development of Property in the INTERSTATE CORRIDOR Urban Renewal Area, dated as of April __, 2017 ("Agreement") relating to the real property located in Multnomah County, Oregon, as more particularly described in Exhibit A attached hereto (the "Property").

Among other things, the Agreement requires PHB to convey the Property to Developer upon the satisfaction of certain conditions precedent, and requires Developer to construct and complete certain infrastructure and project improvements on the Property, all as more particularly set forth in the Agreement.

The Agreement also imposes several covenants running with the land. Developer covenants and agrees to use the Property only for purposes substantially consistent with this Agreement, including the Scope of Development and Final Construction Plans and Specifications and that prior to the issuance of the PHB Certificate of Completion, the Design Review provisions of Section 7 of the Agreement will survive any foreclosure of transfer of the Property by a deed in lieu of foreclosure or any other transfer of the Property. PHB and Developer also declare and agree that these covenants described in this paragraph are covenants running with the land and shall pass to and be binding on Developer's successors in title, including, without limitation, any Mortgagee, purchaser, grantee, or lessee of any portion of the Property and any other person or entity having any right, title, or interest in the Property and upon the respective heirs, executors, administrators, devisees, designees, successors, and assigns of any Mortgagee, purchaser, grantee, or lessee of any portion of the Property and any other person or entity having any right, title, or interest in the Property.

As a condition subsequent to the Property conveyance, in the event of a default by Developer before PHB issues a PHB Certificate of Completion, PHB shall have the option, upon 30 days written notice ("Notice of Termination") to Developer and Escrow Agent, to declare a termination in favor of the PHB of all the title, rights and interests of Developer in the Property. After delivery of such Notice of Termination and in the event Developer fails to remedy, end or abrogate such default within the 30-day period in the manner stated in the Notice of Termination, Developer shall reconvey the Property to PHB by quitclaim deed, pursuant to the escrow instructions in Exhibit H attached to the Agreement. After a PHB Certificate of Completion is recorded as to the Project, PHB shall thereafter have, or be entitled to exercise,

no rights or remedies or controls that it may otherwise have been entitled to exercise under the Agreement with respect to the construction of the Project, or as a result of a default in or breach of any provisions of the Agreement by Developer, or by any successors in interest or assigns of Developer, except for those surviving sections described in the PHB Certificate of Completion. PHB shall thereafter have no further right of entry to the Property or power to terminate the title, rights and interests of Developer in the Property as described above.

PHB and Developer execute this Memorandum to acknowledge being bound by the Agreement and to give notice of the Agreement to third parties.

PARTNERSHIP NAME,
an Oregon limited partnership

By: PCRI Northeast Housing LLC, an Oregon limited

liability company, Its Managing General Partner

By: Portland Community
Reinvestment Initiatives, Inc., an Oregon

nonprofit corporation, Its Manager

By: DO NOT EXECUTE

STATE OF OREGON)

) ss.

County of Multnomah)

The foregoing instrument was acknowledged before me this ____ day of AprilApril, 2017by
____ as the _____ of Portland Community Reinvestment Initiatives, an
Oregon nonprofit corporation, the manager of PCRI Northeast Housing LLC, an Oregon limited liability
company, who is the managing general partner of NLK & Cook apartments, Limited Partnership, an Oregon
limited partnership.

Notary Public for Oregon

My commission expires: _____

PORTLAND HOUSING BUREAU

By: DO NOT EXECUTE

Kurt Creager, Director

STATE OF OREGON)

) ss.

County of Multnomah)

This instrument was acknowledged before me this ____ day of _____, 20__, by Kurt Creager, as
the Director of the Portland Housing Bureau.

EXHIBIT H

Page 10

Dated this _____ day of _____, 20__.

NOTARY PUBLIC FOR OREGON

My commission Expires: _____

STATE OF OREGON)

) ss.

County of Multnomah)

This instrument was acknowledged before me on _____, 200_, by _____,
_____ of _____, a _____, on its behalf.

Notary Public for

My commission expires: _____

EXHIBIT A TO MEMORANDUM OF AGREEMENT

Description of Property

