

REAL ESTATE OPTION

GRANTOR: TRIPLE S INVESTMENT COMPANY, a general partnership consisting of Wesley D. Stevenson, Mark E. Stevenson and Bruce R. Stevenson, and HEATHMAN ASSOCIATES, an Oregon Limited Partnership

GRANTEE: THE CITY OF PORTLAND

IN CONSIDERATION of the payment of One Hundred and no/100's Dollars by the City of Portland to the undersigned, the receipt of which is hereby acknowledged by the undersigned, we the undersigned, jointly and severally, for ourselves and our heirs, executors, administrators, successors and assigns, hereby give and grant to the City of Portland, upon the terms and conditions hereinafter stated, the option to buy the real property described on Exhibit "A" attached hereto together with the Reciprocal Easement Agreement attached hereto as Exhibit "C", for the sum of Three hundred thousand dollars (\$300,000.00) and for delivery to Heathman of a warranty deed to the property described in Exhibit "B," and the Reciprocal Easement Agreement attached hereto as Exhibit "C", to be paid and delivered, respectively upon conveyance of a warranty deed and delivery of a title insurance policy to the City of Portland as hereinafter provided.

The City of Portland shall have the irrevocable right at any time up to and including the 15th day of September, 1983, to elect to purchase under this option. Such election to purchase shall be made by the City of Portland by delivering to the undersigned, or by mailing by registered mail at any United States post office to the undersigned, addressed as follows:

Triple S Investment Company
c/o Donald J. Georgeson
Attorney at Law
1404 Standard Plaza
Portland, Oregon 97204

written notice of such election and deposit of a City Warrant for the full purchase price with Williams, Stark, Hiefield, and Norville, P.C. Such notice shall be deemed to have been given the day of such delivery or such mailing and the making of the deposit. Upon the giving by the City of Portland of such notice and the making of the deposit, the undersigned agree AT OUR OWN EXPENSE (except as otherwise provided) AND WITHIN (10) DAYS (or such reasonable time as may be necessary) OF THE GIVING OF SUCH NOTICE TO:

(1) Deposit into escrow a warranty deed conveying the property described in Exhibit "A" to the City of Portland in such name as the City of Portland may prescribe, free and clear of all liens and encumbrances, rights of possession, claims to rights of possession, and recorded and/or unrecorded leasehold interests, except building restrictions of record and zoning ordinances. The City of Portland will pay recording costs.

(2) Furnish to the City of Portland at City expense an owner's policy of title insurance in the amount of said purchase price prepared by Transamerica Title Insurance Company insuring the City of Portland as fee simple owner of the property described in Exhibit "A" free and clear of all liens and encumbrances, except building restrictions of record and zoning ordinances.

(3) Execute and deliver to escrow the Reciprocal Easement Agreement attached to Exhibit "C" granting the easements described therein to the City of Portland.

(4) Pay all delinquent taxes and assessments against said property for the preceding tax years, but City shall pay all taxes and assessments from and after July 1, 1983.

(5) Pay all utilities charged to the property as of the date of closing of escrow.

(6) Deliver to the City of Portland possession of said property at the closing of escrow.

(7) Deliver to the City of Portland or its order a full set of keys to the property, including outside keys and separate keys for each apartment or compartment, if applicable.

In the event that, at the date of notification of the acceptance of this option by the City of Portland, or at any time subsequent thereto, any portion of this property is vacant, or any leasehold or other possessory interest has expired or terminated from any cause, the undersigned agree not to re-rent or re-lease such vacated or vacant property, or renew any such leasehold or other possessory interest. In the event that any tenancy, leasehold, or other possessory interest in this property in existence on the date hereof shall, by its terms, carry over past the date of closing of escrow, the undersigned hereby agree they will do nothing to prevent, hinder, or delay City of Portland in terminating any such tenancy, leasehold, or interest; and they do hereby waive any claim they may have on account thereof.

The purchase hereunder will be closed in an escrow at Williams, Stark, Hiefield, and Norville, P.C., and the escrow fee shall be paid by the City of Portland. The undersigned hereby

authorize Donald J. Georgeson to sign the escrow instructions or amendments thereof, or any other statements required by the City of Portland, other than the Warranty Deed, on behalf of all sellers in this transaction.

It is specifically understood and agreed that the real property herein agreed to be conveyed includes all structures, buildings, fixtures, trees, shrubbery, and all other real property improvements of every nature whatsoever which are on the said property, and the undersigned agree to keep the same in good condition without waste, damage, or destruction prior to delivery of possession thereof to the City of Portland.

The purchase price herein represents value ascribed by the undersigned and by the City of Portland to the improvements on the land as well as the land itself, which said improvements are of value to the undersigned and in the absence of which the purchase price herein would be less. The undersigned agrees that loss or damage to the property by fire or other casualty shall be at the risk of the undersigned until the title to the land and deed to City of Portland shall have been accepted by the City of Portland; in the event that such loss or damages occur, the City of Portland may, without liability, refuse to accept a conveyance of title. In the event of loss or damage to said property from fire, which property is covered by insurance held by or on behalf of the undersigned, or in which the undersigned may have rights, the City of Portland may elect to proceed under this option and accept conveyance of title, conditioned upon the undersigned assigning the proceeds from said insurance to the City of Portland. Such election shall be made within 30 days. In the event of such election by the City of Portland, the undersigned agrees to make such assignment of proceeds, and to take all reasonable and necessary action to obtain all such proceeds available. This is in no way intended by the City of Portland or the undersigned to be, and shall not be construed to operate as, an assignment by the undersigned of any rights of the undersigned in any such insurance policy, which rights shall remain solely in the insured thereunder. It is further agreed that all risk of loss subsequent to the date of closing of escrow shall be upon the City of Portland.

Entry by the City of Portland, its employees, or agents upon said property for the purpose of inspection or survey, or any slight or inadvertent entry without material damage or injury to the realty, or without the exercise of dominion thereover to the exclusion of the undersigned, shall not be construed as a final election to exercise this option, it being understood that such an election may be effective only if in writing and delivered as herein provided above.

It is further agreed that no statements, expressions of opinion, representations, or agreements of any nature whatsoever,

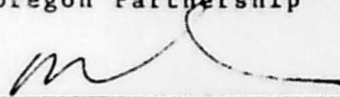
not herein expressly stated or otherwise made in writing, by any representative or agent of the City of Portland shall be binding on, or of any effect against, the City of Portland.

If the undersigned shall fail to comply with the provisions of this option, and suit or action is instituted to enforce any provision hereof, then in such event the losing party agrees to pay the prevailing party, in addition to the costs and disbursements provided by statute, such additional sum as the court may adjudge reasonable for attorney fees, including fees on appeal.


In construing this real estate option, it is agreed that the singular shall include the plural, and the plural shall include the singular.

DATED this 27 day of July, 1983.

TRIPLE S INVESTMENT COMPANY
an Oregon Partnership

By 
Mark E. Stevenson

HEATHMAN ASSOCIATES
an Oregon Limited Partnership

By 
Mark E. Stevenson
General Partner

STATE OF OREGON)
) ss.
COUNTY OF Multnomah)

The foregoing instrument was acknowledged before me this 27 day of July, 1983, by Mark E. Stevenson, as a partner on behalf of Triple S Investment Co., a general partnership, and as General Partner, Heathman Associates, an Oregon Limited Partnership.

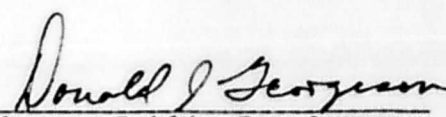

Notary Public For Oregon
My Commission Expires: 1/20/85

EXHIBIT "A"
Legal Description

PARCEL I

A parcel of land being a part of the existing Heathman Hotel Building as situated in Block 208 "City of Portland" in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon. Said parcel of land being more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 129.57 feet; thence Southerly parallel with the Westerly line of said Block 208 a distance of 140.39 feet to the true point of beginning of the parcel of land herein described.

Thence continuing Southerly, parallel with the Westerly line of said Block 208 a distance of 4.00 feet; thence Easterly, parallel with the Northerly line of said Block 208 a distance of 11.83 feet; thence Northerly, parallel with the Westerly line of said Block 208 a distance of 4.00 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 11.83 feet to the true point of beginning of the parcel of land herein described.

PARCEL II

A parcel of land located in Block 208 "City of Portland" as situated in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East, of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon. Said parcel of land being more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 129.57 feet to a point; thence Southerly, parallel with the Westerly line of said Block 208 a distance of 144.39 feet to a point; thence Westerly, parallel with the Northerly line of Block 208 a distance of 14.95 feet to a point, thence Northerly, parallel with the Westerly line of said Block 208 a distance of 124.40 feet to a point that is 19.99 feet Southerly of the Northerly line of said Block 208; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 114.62 feet to a point on the Westerly line of said Block 208; thence Northerly along said Westerly line a distance of 19.99 feet to the point of beginning, said parcel being the existing Studio Building and alley, both immediately west of the existing Heathman Hotel Building.

EXHIBIT "B"

Beginning at the Northwest corner of Block 208, City of Portland, said point being the intersection of the Easterly right of way line of Southwest Park Avenue and the Southerly right of way line of Southwest Salmon Street; thence Easterly along the Northerly line of Block 208 a distance of 129.57 feet; thence Southerly parallel with the Westerly line of said Block 208 a distance of 144.39 feet; thence Easterly, parallel with the Northerly line of said Block 208 a distance of 18.93 feet to the true point of beginning; thence Southerly, parallel with the Westerly line of said Block 208 a distance of 15.52 feet; thence Westerly parallel with the Northerly line of said Block 208 a distance of 7.07 feet; thence Northerly parallel with the Westerly line of said Block 208 a distance of 15.52 feet; thence Easterly parallel with the Northerly line of said Block 208 a distance of 7.07 feet to the true point of beginning; being a portion of the old stair tower of the Paramount Theatre.

EXHIBIT "C"

RECIPROCAL EASEMENT AGREEMENT

This is an Agreement between the City of Portland (City) and Heathman Associates, an Oregon Limited Partnership. (Heathman)

R E C I T A L S

- 1) Heathman is the owner of the property described in Exhibit "A" and City is the owner of the remaining property on Block 208 City of Portland. These two parcels comprise all of Block 208, City of Portland, Multnomah County, Oregon.
- 2) These parcels are encumbered by certain easements created by the predecessors in interest of the parties to this Agreement.
- 3) The parties desire to extinguish all prior easements and further desire to grant certain easements to each other.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

- 1) All prior easements and agreements including but not limited to basement easements or agreements on Block 208 City of Portland are extinguished.
- 2) City grants the following easements to Heathman all of which are granted so long as the existing Heathman Hotel building exists or in the event of its destruction so long as any replacement building shall exist but not thereafter:
 - a) An easement to enter, use and maintain the existing P P & L Transformer Room under the alley for electrical utility purposes, the East Wall of which is approximately 129.57 feet East of the East right of way line of Southwest Park Avenue, the West wall of which is approximately 114.62 feet East of the East right of way line of Southwest Park Avenue, the North Wall of which is approximately 40.6 feet South of the South right of way line of Southwest Salmon Street, and the South wall of which is approximately 78.6 feet South of the South right of way line South West Salmon Street.
 - b) an easement to place and maintain columns of no

greater size than 12" by 12" to support extensions to the existing Heathman Hotel building to be built over portions of the existing alley (which right to build is more specifically described below) upon a parcel of land, located in Block 208 "City of Portland" as situated in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon. Said easement being more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 114.62 feet; thence Southerly parallel with the Westerly line of said Block 208 a distance of 21.00 feet to the true point of beginning. Thence continuing Southerly parallel with the Westerly line of said Block 208 a distance of 102.89 feet; thence Easterly, parallel with the Northerly line of said Block 208 a distance of 1.00 foot; thence Northerly, parallel with the Westerly line of said Block 208 a distance of 102.89 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 1.00 foot to the true point of beginning,

Together with the right to temporarily pierce the Paramount Theatre basement floor and basement ceiling (Alley floor) as necessary, to install the columns and needed footings and together with the right to place and maintain below the basement floor all footings necessary to support said columns, even though the ^{feet} temporary holes and the footings exceed the 1.00 width of the above described easement for the columns. (N)

c) an easement to use the grade level alley passageway for service and emergency ingress and egress to the Heathman Hotel Building, said alley being described as follows: a parcel of land located in Block 208 "City of Portland" in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon and more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 114.62 feet to the true point of beginning of the easement herein described. Thence continuing Easterly along the Northerly line of said Block 208 a distance of 14.95 feet; thence Southerly, parallel with the Westerly line of said Block 208 a distance of 140.39 feet; thence Westerly, parallel with

the Northerly line of said Block 208 a distance of 4.50 feet; thence Northerly, parallel with the Westerly line of said Block 208 a distance of 16.50 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 10.45 feet; thence Northerly, parallel with the Westerly line of said Block 208 a distance of 123.89 feet to the true point of beginning of the easement herein described.

d) an easement to construct and maintain structures, including fire escapes, upon a parcel of land located in Block 208 "City of Portland" as situated in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon. Said easement being more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 114.62 feet; thence Southerly parallel with the Westerly line of said Block 208 a distance of 21.00 feet to the true point of beginning. Thence Easterly, parallel with the Northerly line of said Block 208 a distance of 14.95 feet; thence Southerly, parallel with the Westerly line of said Block 208 a distance of 102.89 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 14.95 feet; thence Northerly, parallel with the Westerly line of said Block 208 a distance of 102.89 feet to the true point of beginning subject to the following requirements which shall run with the land and be binding on Heathman's heirs, successors, and assigns: 1) for any structure which creates a ceiling over the alley the minimum ceiling height in the grade level alley passageway beneath any such structure shall be at least 10 feet, 2) for any structure which creates a ceiling over the alley such structure shall touch and be maintained weather tight with the existing Paramount Theatre or Studio Building, but shall not create any structural burden on either building and 3) the construction or maintenance of any such structure shall not in any way adversely affect the Paramount Theatre and Studio Building, their structures or their mechanical, electrical, functional or safety systems.

- 3) Heathman grants the following easements to City all of which are granted so long as the existing Paramount Theatre and Studio building shall exist or in the event of the destruction of either, so long as any replacement building shall exist but not thereafter:

- a) An easement to maintain and preserve existing subsurface footings and foundations which now support the existing Paramount Theatre and the Studio Buildings.
- b) An easement to maintain and support the east end of the second floor and the roof of the Studio Building, but this easement shall not prohibit the removal of the portion of the existing Heathman Hotel Building upon which the East end of the second floor and roof of the Studio Building depend for support so long as the continued support of the Studio Building is provided for.
- 4) The parties agree that they shall jointly maintain any and all party walls between their respective structures and neither party shall remove or otherwise impair any party wall without the prior written consent of the other. This agreement shall run with the land.

DATED this ___ day of _____, 1983.

Mayor of The City of Portland

Auditor of the City of Portland

The foregoing instrument was acknowledged before me this ___ day of _____, 1983, by Francis J. Ivancie, Mayor of the City of Portland, and Jewell Lansing, Auditor of the City of Portland.

Notary Public For Oregon
My Commission Expires: _____.

DATED this ___ day of _____, 1983.

HEATHMAN ASSOCIATES
An Oregon Limited Partnership

By _____
Mark E. Stevenson
General Partner

The foregoing instrument was acknowledged before me this ___ day of _____, 1983, by Mark E. Stevenson, General
10 - REAL ESTATE OPTION

Partner, Heathman Associates, an Oregon Limited Partnership.

Notary Public For Oregon
My Commission Expires: ____.

EXHIBIT "A" TO RECIPROCAL EASEMENT AGREEMENT

PARCEL I

A parcel of land located in Block 208 "City of Portland" as situated in the Northwest One Quarter (N.W. 1/4) of Section 3, Township One South, Range One East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon. Said parcel of land being more particularly described as follows:

Beginning at the Northwest corner of said Block 208; thence Easterly along the Northerly line of said Block 208 a distance of 129.57 feet to the true point of beginning of the parcel of land herein described.

Thence continuing Easterly along said Northerly line a distance of 70.43 feet to the Northeast corner of said Block 208; thence Southerly along the Easterly line of said Block 208 a distance of 159.91 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 51.50 feet; thence Northerly, parallel with the Easterly line of said Block 208 a distance of 15.52 feet; thence Westerly, parallel with the Northerly line of said Block 208 a distance of 18.93 feet; thence Northerly parallel with the Easterly line of said Block 208 a distance of 144.39 feet to the true point of beginning of the parcel of land herein described.

PARCEL II

Beginning at the Northwest corner of Block 208, City of Portland, said point being the intersection of the Easterly right of way line of Southwest Park Avenue and the Southerly right of way line of Southwest Salmon Street; thence Easterly along the Northerly line of Block 208 a distance of 129.57 feet; thence Southerly parallel with the Westerly line of said Block 208 a distance of 144.39 feet; thence Easterly, parallel with the Northerly line of said Block 208 a distance of 18.93 feet to the true point of beginning; thence Southerly, parallel with the Westerly line of said Block 208 a distance of 15.52 feet; thence Westerly parallel with the Northerly line of said Block 208 a distance of 7.07 feet; thence Northerly parallel with the Westerly line of said Block 208 a distance of 15.52 feet; thence Easterly parallel with the Northerly line of said Block 208 a distance of 7.07 feet to the true point of beginning; being a portion of the old stair tower of the Paramount Theatre.

AV 50387
\$300,000.00

154988

ORDINANCE NO. 154988

8-23-83

An Ordinance authorizing purchase of the Studio Building property in connection with the Portland Center for the Performing Arts from Triple S Investment Company and Heathman Associates, authorizing exercise of the real estate option for such purchase, authorizing conveyance of certain real property to Heathman Associates, authorizing execution of a reciprocal easement agreement, authorizing the drawing and delivery of a warrant in the amount of \$300,000 and authorizing the closing in escrow and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. The Council has heretofore elected to acquire the Paramount Theater property and to award a contract for renovation of the Paramount Theater.
2. That in connection with such renovation and acquisition of property necessary for the Portland Center for the Performing Arts, it is necessary to acquire the property commonly known as the Studio Building.
3. That heretofore the City has obtained a real estate option from Triple S Investment Company and Heathman Associates for purchase of the Studio Building property which option also requires the granting of a certain strip of real property to Heathman Associates and also the execution of a reciprocal easement agreement all in accordance with the terms of the real estate option to the City dated July 27, 1983.

NOW, THEREFORE, the Council directs:

- a. That purchase of the Studio Building as more particularly described in the real estate option between Triple S Investment Company and Heathman Associates and the City of Portland which real estate option is attached to this Ordinance and by this reference made a part of this Ordinance is authorized.
- b. The Commissioner of Safety is hereby authorized to give notice to Triple S Investment Company care of Donald J. Georgeson, attorney at law, 1404 Standard Plaza, Portland, Oregon 97204, of the exercise of such option in accordance with its terms.

ORDINANCE No.

- c. The Mayor and Auditor are hereby authorized to execute and deliver a warranty deed to Heathman Associates to the real property described in Exhibit B of the real estate option made a part of this ordinance.
- d. The Mayor and Auditor are hereby authorized to execute the reciprocal easement agreement being Exhibit C to the real estate option.
- e. A warrant in the sum of \$300,000 shall be drawn and delivered to Williams, Stark, Heifield and Norville, P.C., as escrow agent for the closing of such transaction. Such warrant shall be charged to the Performing Art Center Construction Fund, BUC 77200011.620, Fiscal Year 1983-84. The escrow agent shall close the transaction in accordance with the real estate option attached to this Ordinance. Any other or additional escrow instructions relating to the closing of the transaction shall be executed as appropriate by the Commissioner of Public Safety.

Section 2. The Council declares that an emergency exists because it is necessary to exercise the real estate option for purchase of the Studio Building and to deposit the purchase price and other documents in escrow prior to September 15, 1983; therefore, this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, **AUG 23 1983**

COMMISSIONER SCHWAB
RLHurtig:djb
August 9, 1983

Jewel Lansing
Auditor of the City of Portland

By *Eans Cervera* Deputy

Calendar No. 2170

ORDINANCE No. 154988

Title


An Ordinance authorizing purchase of the Studio Building property in connection with the Portland Center for the Performing Arts from Triple S Investment Company and Heathman Associates, authorizing exercise of the real estate option for such purchase, authorizing conveyance of certain real property to Heathman Associates, authorizing execution of a reciprocal easement agreement, authorizing the drawing and delivery of a warrant in the amount of \$300,000 and authorizing the closing in escrow and declaring an emergency. **AUG 17 1983**

CONTINUED TO 11:00 AM AUG 23 1983

Filed _____

AUG 10 1983

JEWEL LANSING
Auditor of the CITY OF PORTLAND

By  **Dennis** Deputy

THE COMMISSIONERS VOTED AS FOLLOWS:

	Yeas	Nays
JORDAN	X	
LINDBERG	X	
SCHWAB	X	
STRACHAN		
IVANCIE	X	

FOUR-FIFTHS CALENDAR

JORDAN	
LINDBERG	
SCHWAB	
STRACHAN	
IVANCIE	

INTRODUCED BY
COMMISSIONER SCHWAB

NOTED BY THE COMMISSIONER

Affairs
Finance and Administration
Safety
Utilities
Works

BUREAU APPROVAL

Bureau:

Prepared By: **RLHurtig:djb** Date: **8-9-83**

Budget Impact Review:

Completed Not required

Bureau Head:

CALENDAR

Consent Regular

NOTED BY

City Attorney

City Auditor

City Engineer