

RICHARD A. BARANZANO  
THE R.A. BARANZANO COMPANY  
4075 N Interstate Avenue, Portland, OR 97217  
Mailing: 1133 NW 11<sup>th</sup> Ave, Unit# 401, Portland, OR 97209  
CELL, MESSAGE 503-330-8100  
[Oregonrealestate@cs.com](mailto:Oregonrealestate@cs.com)

#### Partial Project List

Responsible for the Siting of the U. S. Postal Facility, Multnomah, Oregon 1988.  
Marketing Hotel Site to Comfort Inn affiliate Wilsonville, Oregon 1992.  
Marketing Satellite Medical Facility Site to Legacy Health Systems, Wilsonville, OR 1992.  
Representation in acquisition of the Market Place Shopping Center, Wilsonville, OR 1992.  
Representation in acquisition of 100+ lot subdivision property Clackamas, OR 1993.  
Lead successful approval process in obtaining preliminary conditional use for a 46 lot Detached Home Cluster Development on personally held property.  
Sold Site and performed traffic analysis for 84 unit Congregate Care Retirement Center for Greg L. Specht and Portland Pacific Properties Wilsonville, OR 1994-1995.  
Broker for Site search and acquisition of Swan Island Site from Port of Portland for Walter E. Nelson Company 37,000 square foot headquarters in Distribution Center 1995.  
Sold Interstate 5 Interchange office building Wilsonville, OR 1995.  
Responsible for Siting Hillsboro D.C.U. sorting facility for the U.S. Postal Service, 1996.  
Marketed and Sold 24 acre Industrial Site, Hillsboro, Oregon, and coordinated sale in a timely manner with closing separate U.S. Postal Service land purchase in order to combine funds and accomplish a successful 1031 exchange and purchase of an anchored 45,000 square foot Retail Center in Beaverton, OR..  
Presently working on various build-to-suit projects, large land acquisitions, industrial sitings, 1031 exchanges, master planned developments, retirement developments, land leases, and various investment purchases and shopping center re-development projects.  
Buyer-Broker representative in the purchase of 18,000 square foot neighborhood center, Lake Oswego,  
Buyer-Broker in site search, community assessment, financing and acquisition of 15,000 production, design and product display facility in Canby, Oregon for T-Line Design Inc. , 1997.  
Sold 50,000 square foot distribution facility on 11 Ac. in Sunset Corridor to Loy Clark Pipeline Inc  
Represented Buyer in purchase and lease of 70,000 square foot SPM/Dynacast manufacturing facility adjacent to Hillsboro Airport and to neighboring Intels Jones Creek Campus.  
Represented Buyers and Sellers in the acquisition and disposition of various residential properties  
Represented Buyer in Purchase of 105,000 square foot Lighthouse Square Shopping Center, Lincoln City,  
Represented Buyer in Purchase of 10,000 square foot Interstate-5 showroom building, Wilsonville, OR  
Represented Buyer in purchase of 15,000 square foot corporate headquarters facility, Swan Island  
Represented Buyer in Purchase of 30,000 square foot retail building, Westmoreland Neighborhood

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**Partial List of Development Properties with Principle Interest:** 68 Acre Industrial Development property south of Salem, Oregon which had previously been approved for a \$ 600,000,000 / 650 megawatt co-generation power facility( Turner Energy Center ); Kauffman Vancouver Marketplace - 40,000 square foot anchored community shopping center downtown Vancouver, WA; Fourth Plain Plaza- 25,000 square foot community/neighborhood shopping center; Interstate Flooring Building -11,500 square foot Creative Space, 4075 N Interstate Avenue, Portland, OR; Historic Ithan Village Shopping Center, Radnor, PA; Freestanding Retail Building, Bryn Mawr, PA; Marina Property CapeMayCounty, NJ

COMMERCIAL ASSOCIATION OF BROKERS OREGON/SW WASHINGTON  
LETTER OF INTENT  
(Oregon Commercial Form)

AGENCY ACKNOWLEDGMENT

Buyer shall execute this Acknowledgment concurrent with the execution of the Agreement below and prior to delivery of that Agreement to Seller. Seller shall execute this Acknowledgment upon receipt of the Agreement by Seller, even if Seller intends to reject the Agreement or make a counter-offer. In no event shall Seller's execution of this Acknowledgment constitute acceptance of the Agreement or any terms contained therein.

Pursuant to the requirements of Oregon Administrative Rules (OAR 863-015-0215), both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and by execution below acknowledge and consent to the agency relationships in the following real estate purchase and sale transaction as follows:

(a) Seller Agent: Scott MacLean of Colliers International firm (the "Selling Firm") is the agent of  
(check one):  
 Buyer exclusively;  Seller exclusively;  both Seller and Buyer ("Disclosed Limited Agency").

(b) Buyer Agent: Richard Baranzano of The R.A. Baranzano Company firm (the "Buying Firm") is the  
agent of (check one):  
 Buyer exclusively;  Seller exclusively;  both Seller and Buyer ("Disclosed Limited Agency").

If the name of the same real estate firm appears in both Paragraphs (a) and (b) above, Buyer and Seller acknowledge that a principal broker of that real estate firm shall become the Disclosed Limited Agent for both Buyer and Seller, as more fully set forth in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and the named real estate agent(s).

ACKNOWLEDGED

Buyer: (print) Lithia Motors, Inc. (sign) ANDREW V. FURUSATI Date: 11/16/16  
Buyer: (print) \_\_\_\_\_ (sign) \_\_\_\_\_ Date: \_\_\_\_\_  
Seller: (print) The City of Portland (sign) \_\_\_\_\_ Date: \_\_\_\_\_  
Seller: (print) \_\_\_\_\_ (sign) \_\_\_\_\_ Date: \_\_\_\_\_

[No further text appears on this page.]



November 18, 2016

Mr. Scott MacLean  
Colliers International  
851 SW Sixth Avenue, Suite 1200  
Portland, OR 97204

**RE: Terminal 1 Site Portland, OR**

Dear Scott:

The purpose of this Letter of Intent is to express the interest of Lithia Real Estate, Inc. ("Purchaser") in acquiring the entire fee simple interest in the building, dock, and land known as Terminal 1, all easements and appurtenances thereto, and all personal property, ("The Property") consisting of an existing warehouse totaling approximately 91,000 square feet of net rentable area within 14.48 acres of land, and an additional 3.6 acres of dock located at 2400 NW Front Street in Portland, OR.

The following is a summary of some major points with respect to this proposed sale:

1) **PURCHASE PRICE:**

Ten Million Dollars\* (\$10,000,000.00)

2) **BUYER AND ESTABLISHED...**

Lithia Motors, Inc. (NYSE: LAD) is a Fortune 500 Company (#346) and fifth-largest auto retailer in the nation with (LEED Certified-Silver) corporate headquarters located in Medford, Oregon. The company was established in Ashland almost seventy years ago and currently employs 2200 Oregon residents in 29 stores throughout the state.

Throughout decades of growth, Lithia's commitment to Oregon and local communities has remained constant-focusing on local communities and ways to make them better places to live and work. Through Lithia 4Kids, strategic partnerships are created with select not-for-profit organizations that make a difference in the lives of young people. "Educate, Advocate, Support and Strengthen" are the pillars of the Lithia 4Kids initiative.

Lithia hosted the first "Women in Leadership" Conference in 2015 and continues to sponsor this effort as a way to empower female staff and community members to further professional skills, especially in traditionally male-dominated industries.

In Portland, Lithia has an established the need to consolidate its scattered operations under one roof. Operational difficulties have arisen and are threatening their ability to serve the public. Also, many of these Facilities have stifled the company's ability to expand. Terminal 1 has presented Lithia with the opportunity to control their operations, to plan for expansion and offerings and, to finally established ownership in a fully consolidated headquarter facility.

On a broader scale, Lithia seeks to proactively manage and reduce its carbon footprint to further sustainability efforts across the company. Service departments have developed and instituted programs to reuse and recycle service-related products. Nitrogen is used to extend the life of vehicle tires. Lithia detail teams integrate bio-degradable, environmentally-friendly cleaning chemicals in daily practice. All stores have individual recycling and reuse available and Lithia continues to look for ways to cut more waste. Lithia has partnered with Energy Trust of Oregon to maximize energy savings by retrofitting and upgrading interior lighting in stores and dealership parking lots. Lithia is proud to sell automobile brands that are environmentally-responsible in the “greening” of manufacturing processes and integrate sustainable products in their vehicles.

In consideration of the best outcome for all parties, the timeline for due diligence in this process needs to be adequate and extended if necessary in order to result in the best outcome for the community and for the image that full-site development and utilization needs to project. As part of this outcome, the offering Parties would like to propose that the iconic Portlandia Statue be moved to the Terminal 1 Site welcoming seafarers and the world to our beautiful City. As the second largest hammered copper sculpture in the United States and the symbol of the City, Portlandia could finally find a place to project both her strength and the confidence of the community.

3) **INSPECTION PERIOD:**

Purchaser shall have one-hundred-twenty (120) days after mutual execution of a Purchase and Sale Agreement to (i) inspect any documents related to the property including, without limitations, the site plan, zoning approvals, building permits, leases, and other agreements, and (ii) inspect, examine, survey, obtain engineering inspections, appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the condition and value of the Property for the uses intended by Purchaser. Purchaser must be satisfied in all respects, in its sole and absolute discretion, with the results of such inspections and investigations. If Purchaser is not satisfied, it may terminate the Purchase Agreement and shall have no obligation or liability with respect to Seller or the Property.

Purchaser understands and agrees that information obtained pursuant to such inspections shall be kept in confidence and shall not be revealed to outside parties other than to its lenders, principals, affiliates, or clients or as otherwise required by law, simultaneously with inspection period.

Due Diligence will be conducted largely simultaneously with our inspection period. Of critical importance to us would be to secure adequate Land Use determinations and entitlements to meet our immediate and intermediate needs within the Guilds Lake Planning District. Since Lithia intends to move onto the property in stages, it is also critical that will be able to retain and expand the occupancy of present tenants or to allow for similar tenancy. We will also be investigating the parameters that apply in locating a showroom on the property. Along with process, Lithia will be glad to project expected jobs to be generated by their usage. Lithia may also be willing to discuss economically feasible usage of any surplus property in order to further the requirement of job creation in the district.

4) **DEPOSITS:**

Upon mutual execution of the Purchase and Sale Agreement (“Purchase Agreement”), Purchaser shall place into escrow, with an agreed upon title company, a refundable deposit (“Security Deposit”) of \$250,000. Upon expiration of the Inspection Period and Purchaser’s satisfaction of all inspections and investigations, the Security Deposit shall be increased to a total of \$1,000,000 and shall become non-refundable. The Security Deposit shall be applicable in full towards the Purchase Price.

5) **CLOSING DATE:**

The closing date of the Purchase and Sale shall be thirty (30) days after Inspection and due diligence period.

6) **REAL ESTATE COMMISSION:**

Seller and Purchaser acknowledge that Colliers International and The R.A. Baranzano Company shall share the commission in connection with this transaction with The R.A. Baranzano Company receiving 1% of the purchase price, which shall be paid by Seller. Each party shall hold the other harmless from any claims for other brokerage/advisory fees or commissions.

7) **CLOSING COSTS:**

All closing costs shall be borne in accordance with custom prevailing in Portland, OR for similar transactions.

8) **PRORATIONS:**

Purchaser will receive a credit against the purchase price to be paid at closing on account of security deposits, prepaid rents, property taxes and assessments, and other items of income and expense as of midnight of the day preceding closing.

9) **DOCUMENTS TO BE DELIVERED:**

Upon execution of this Letter of Intent, Seller will promptly make available to Purchaser copies of the following items:

- a) The most current survey and building plans of the Property;
- b) The most recent title insurance policy or commitment for the Property;
- c) All leases and service contracts relating to the Property;
- d) The most recent tax and utility bills relating to the Property
- e) Any additional environmental and property condition reports relating to the Property,
- f) Such other documents as Purchaser may reasonably request

Purchaser and Seller each acknowledge that (i) a transaction of this type involves many essential and nonessential terms and conditions and that there has not yet been a definitive statement of all the terms and conditions of the proposed transaction, and (ii) this letter is not intended to constitute an agreement to execute the Purchase Agreement or any real estate agreement in the future. It is the intention and understanding of Purchaser and Seller that the only instrument executed between Purchaser and Seller with respect to the property shall be the Purchase Agreement and that the Purchase Agreement, if executed, will contain all of the terms and conditions deemed essential by Purchaser and Seller with respect to the purchase and sale of the Property contemplated by this letter.

In consideration of the time and expenses to be expended by Purchaser in connection with the inspections of the property and the Preparation of the Purchase Agreement, Seller hereby agrees that through January 10, 2017 or if the Purchase Agreement is executed and delivered, through the closing date or earlier termination of Purchase Agreement, neither Seller or its agents or representatives will show the Property or negotiate for or accept any offers to purchase the Property or any part thereof from any party other than Purchaser.

Notwithstanding (a) anything contained in this letter to the contrary, (b) subsequent negotiation (c) any actions taken hereafter by either Purchaser or Seller, or (d) any actual or claimed reliance, it is understood that, except for obligations set forth in the immediately preceding paragraph, neither Purchaser nor Seller will be legally bound in any manner unless and until the Purchase Agreement has been prepared, executed and delivered by both Purchaser and Seller.

\*In addition to the aforementioned major points of this proposed sale, buyer understands and acknowledges that there may need to be some flexibility in regards to the proposed terms and/or price so that the transaction is amicable to the seller. As such, buyer is willing to discuss other possible terms if the need arises and/if the proposed terms outlined herein do not fit the needs or expectations of the seller.

Please confirm that the forgoing accurately sets for the understanding between Seller and Purchaser by countersigning a copy of this letter and returning it to me.

Sincerely,



**Mark D. DeBoer**  
**LITHIA REAL ESTATE, INC.**  
Vice President Corporate Development

ACCEPTED AND AGREED:

SELLER:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



November 17, 2016

Mr. Scott MacLean  
Colliers International  
851 SW Sixth Ave., Suite 1200  
Portland, OR 97204

RE: LETTER OF INTENT TO PURCHASE TERMINAL 1

Dear Scott:

Thank you for giving us the opportunity to submit a Letter of Intent to purchase the real property located at 2400 NW Front Avenue and all improvements thereon. By signing below, InterUrban Development, LLC, or assigns (“Buyer”) hereby submits this letter regarding proposed terms and conditions of Buyer’s purchase from City of Portland Bureau Environmental Services (“Seller”), of 2400 NW Front Avenue, Portland, OR 97209, as described below (the “Property”):

TERMS AND CONDITIONS:

1. **Price:** \$10,000,000.00, payable in cash at closing
2. **Earnest Money:** \$150,000.00 (the “Deposit”), as follows:

Within five (5) business days after the execution and delivery of the Purchase Agreement (described below), Buyer will deliver the Deposit in the form of a promissory note (the “Note”) to Ticor Title, 111 SW Columbia, Suite 1000, Portland, OR 97201 (the “Title Company”) in escrow. The Note will be redeemed for cash and deposited with the Title Company upon Buyer’s removal of contingencies. The Deposit and all interest earned thereon will be credited against the purchase price at closing.

3. **Document Review:**

Within five (5) business days following the full execution by both parties of this Letter of Intent (the “Effective Date”), Seller shall give Buyer copies of the following documents, to the extent in Seller’s possession or within Seller’s control: (a) copies of all service contracts, leases, management agreements, and other agreements relating to the use or occupancy of the Property; (b) a current ALTA survey of the Property; (c) an operating statement showing detailed monthly income and expenses of property operations for the past three full years and year-to-date; (d) any reports regarding the condition of the Property including (but not limited to) environmental reports, ADA compliance reports, mechanical reports, roof reports, and seismic studies; (e) copies of occupancy, elevator, and other governmental permits; (f) copies of any correspondence from governmental authorities relating to any violation of law applicable to the Property, (g) documents pertaining to the historic designation of the

{00027009;2}

{00027009;2}



Property, and (h) the most recent tax bill for the Property. Within ten (10) business days following the Effective Date, if needed, Seller shall also allow Buyer to review Seller's information regarding the Property at Seller's offices in Richardson, Texas, during normal business hours. Buyer agrees to use the information delivered to Buyer by Seller solely in connection with this transaction.

Buyer and Seller agree to negotiate diligently and in good faith a definitive agreement (the "Purchase Agreement") for the purchase and sale of the Property incorporating the terms contained in this letter and other customary provisions within twenty (20) business days after the Effective Date.

4. **Description of the Land: SHERLOCKS ADD, BLOCK 37, LOT 13-35 TL 900**

5. **Contingencies:**

The Purchase Agreement will provide for a one hundred and twenty (120) day Due Diligence Period. During the Due Diligence Period, Buyer will have the right to approve certain contingencies listed in the Purchase Agreement, including those described below. Buyer's obligation to purchase the Property will be conditioned on Buyer's waiver or satisfaction, in Buyer's sole discretion, of all contingencies within the Due Diligence Period, including the following:

A. Buyer's review and written approval of a current Preliminary Title Report on the Property (the "PTR"), issued by the Title Company together with a current ALTA survey of the Property and legible copies of all documents referenced as title exceptions therein (such report, survey, and legible and complete copies of all such documents to be provided at Seller's expense on or before the execution of the Purchase Agreement). If a current ALTA survey of the Property is not provided to Buyer by Seller before the execution of the Purchase Agreement, the Due Diligence Period shall be extended to end 60 days after Buyer's receipt of such survey.

B. Buyer's review and written approval of the documents, information, and reports described in Section 3 of this letter of intent.

C. Buyer's obtaining a loan commitment on terms satisfactory to Buyer to finance a portion of the Price.

D. Buyer's review and written approval of a physical inspection and environmental assessment of the Property, of all leases and parking arrangements, of all Property documentation in Seller's possession, and of all zoning, land use and similar restrictions on the Property. During the Due Diligence Period, Seller shall provide Buyer access to the Property and to all books, leases, records, contracts, and other documents relating to the Property which are in Seller's possession or within Seller's control, such access to be at reasonable times following notice to Seller, and Seller may require that its representative accompany Buyer.

In the event Buyer does not, in writing, approve or waive any of such contingencies by the end of the Due Diligence Period, the Purchase Agreement will terminate, the Deposit and all interest thereon will be returned to Buyer, less Buyer's share of escrow cancellation costs, and Buyer and Seller have no further liability to each other.

6. **Other Conditions:**

A. The Purchase Agreement will include representations and warranties from Seller with respect to the good standing of Seller. Seller's authorization to do business, absence of outstanding litigation against Seller, the physical condition of the Property, the terms of the leases affecting the Property, absence of liens, assessments, and condemnation proceedings, the environmental condition of the Property, the status of contracts affecting the Property, and the completeness and accuracy of documents provided.

B. Fee title shall be conveyed to Buyer at close of escrow by statutory warranty deed, free and clear of encumbrances, rights and interests except those described in the PTR which are approved in writing by Buyer. Seller will cause the Title Company to issue to Buyer an ALTA extended coverage policy of title insurance in the amount of the Purchase Price, in a form acceptable to Buyer. Seller will pay the premium for standard title insurance coverage. Buyer shall pay the additional premium for extended coverage and any endorsements required by Buyer.

C. During the period prior to the Closing Date, Seller will not enter into any lease or other agreement which will bind the Property or Buyer after closing unless Buyer first approves of the document, which approval will not be unreasonably withheld.

7. **Closing:**

Closing will occur no later than thirty (30) days following removal of contingencies contained in Paragraph 5. However, Buyer shall have the right to extend closing for up to thirty (30) days to complete financing requirements. Buyer shall pay one-half of escrow charges. Seller shall pay one-half of escrow charges. Rents and taxes shall be prorated as of the closing date.

8. **Commission:**

Melvin Mark Brokerage Company represents Buyer in this transaction. Seller shall pay Melvin Mark Brokerage Company a commission of 1.00% of the sales price. The commission shall be payable at close of escrow.

If the foregoing outline of basic terms and conditions is acceptable to Seller as a basis for exclusive negotiations, we request that Seller so acknowledge by signing and returning the enclosed copy of this letter by 5:00 p.m. PST, on Friday, December 9<sup>th</sup>, either by messenger, facsimile transmission, or electronic mail. Upon your execution of this letter you agree not sell or transfer all or any part of the Property or to negotiate a potential sale or other transfer of the Property or any interest in the Property with anyone else during the 20 business-day exclusive negotiating period. Except for Seller's obligation to negotiate exclusively and in good faith with Buyer for the sale of the Property during such period, which is binding on Seller, this letter of intent is not binding on the parties. Seller and Buyer also acknowledge and agree that:

***This letter is not intended to be and will not be construed as an agreement for the sale and purchase of the Property; the terms and conditions for such a sale which are outlined herein do not necessarily include all of the material terms and conditions which will be required in the Purchase Agreement; and the enumeration of certain contingencies, conditions, warranties, and representations in this letter is not intended***

***to be exhaustive and the Purchase Agreement may well contain additional contingencies, conditions, warranties, and representations.***

If Buyer and Seller are not able in good faith, to negotiate and enter into the Purchase Agreement within twenty (20) business days after the Effective Date, neither shall have any further obligation to continue such negotiations, and Seller shall then be free to offer the Property to and/or negotiate for its sale with any other person. Buyer shall cause its counsel to prepare and circulate a draft of the Purchase Agreement within ten (10) business days after the Effective Date.

Yours truly,

MELVIN MARK BROKERAGE COMPANY



Nick Ehlen  
Broker



Al Kennedy  
Broker



Peter Andrews  
Broker

**APPROVED AND ACCEPTED:**

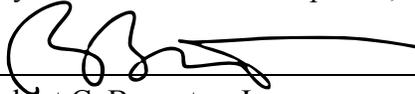
Seller: City of Portland Bureau of  
Environmental Services

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer: InterUrban Development, LLC

  
\_\_\_\_\_  
Robert C. Brewster, Jr.

Date: **November 18, 2016**



November 18, 2016

Mr. Scott MacLean  
Colliers International  
851 SW Sixth Avenue, Suite 1200  
Portland, OR 97204

**RE: Terminal 1 Site  
Portland, OR**

Dear Scott:

The purpose of this Letter of Intent is to express the interest of Lincoln Property Company Commercial, Inc. ("Purchaser") in acquiring the entire fee simple interest in the building, dock, and land known as Terminal 1, all easements and appurtenances thereto, and all personal property, ("the Property") consisting of an existing warehouse totaling approximately 91,000 square feet of net rentable area within 14.48 acres of land, and an additional 3.6 acres of dock, located at 2400 NW Front Street in Portland, OR.

The following is a summary of some of the major points with respect to this proposed sale:

1) **PURCHASE PRICE:**

Ten Million Dollars (\$10,000,000.00).

2) **INSPECTION PERIOD:**

Purchaser shall have sixty (60) days after mutual execution of a Purchase and Sale Agreement to (i) inspect any documents related to the Property including, without limitation, the site plan, zoning approvals, building permits, leases and other agreements, and (ii) inspect, examine, survey, obtain engineering inspections, appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the condition and value of the Property for the uses intended by Purchaser. Purchaser must be satisfied in all respects, in its sole and absolute discretion, with the results of such inspections and investigations. If Purchaser is not so satisfied, it may terminate the Purchase Agreement and shall have no obligation or liability with respect to Seller or the Property.

Purchaser understands and agrees that the information obtained pursuant to such inspections shall be kept in confidence and shall not be revealed to outside parties other than to its lenders, principals, affiliates, or clients or as otherwise required by law.

3) **DEPOSITS:**

Upon mutual execution of the Purchase and Sale Agreement ("Purchase Agreement"), Purchaser shall place into escrow, with an agreed upon title company, a refundable deposit ("Security Deposit"), of \$100,000 Upon expiration of the Inspection Period and Purchaser's satisfaction of all inspections and investigations, the Security Deposit shall be increased to a

total of \$1,000,000 and shall become non-refundable. The Security Deposit shall be applicable in full towards the Purchase Price.

4) **CLOSING DATE:**

The closing date of the Purchase and Sale shall be thirty (30) days after the Inspection Period.

5) **REAL ESTATE COMMISSION:**

Purchaser and Seller each represent and warrant to the other that neither has employed any real estate agent, broker, or finder in connection with the contemplated transaction other than Colliers International.

6) **CLOSING COSTS:**

All closing costs shall be borne in accordance with custom prevailing in Portland, OR for similar transactions.

7) **PRORATIONS:**

Purchaser will receive a credit against the purchase price to be paid at closing on account of security deposits, prepaid rents, property taxes and assessments, and other items of income and expense as of midnight of the day preceding closing.

8) **DOCUMENTS TO BE DELIVERED:**

Upon execution of this Letter of Intent, Seller will promptly make available to Purchaser copies of the following items:

- a) The most current survey and building plans of the Property;
- b) The most recent title insurance policy or commitment for the Property;
- c) All leases and service contracts relating to the Property;
- d) The most recent tax and utility bills relating to the Property;
- e) Any additional environmental and property condition reports relating to the Property,
- f) Such other documents as Purchaser may reasonably request.

Purchaser and seller each acknowledge that (i) a transaction of this type involves many essential and nonessential terms and conditions and that there has not yet been a definitive statement of all the terms and conditions of the proposed transaction, and (ii) this letter is not intended to constitute an agreement to execute the Purchase Agreement or any real estate agreement in the future. It is the intention and understanding of Purchaser and Seller that the only instrument executed between Purchaser and Seller with respect to the Property shall be

the Purchase Agreement and that the Purchase Agreement, if executed, will contain all of the terms and conditions deemed essential by Purchaser and Seller with respect to the purchase and sale of the Property contemplated by this letter.

In consideration of the time and expenses to be expended by Purchaser in connection with the inspections of the Property and the preparation of the Purchase Agreement, Seller hereby agrees that through September 15, 2016 or if the Purchase Agreement is executed and delivered, through the closing date or earlier termination of Purchase Agreement, neither Seller or its agents or representatives will show the Property or negotiate for or accept any offers to purchase the Property or any part thereof from any party other than Purchaser.

Notwithstanding (a) anything contained in this letter to the contrary, (b) subsequent negotiation, (c) any actions taken hereafter by either Purchaser or Seller, or (d) any actual or claimed reliance, it is understood that, except for the obligations set forth in the immediately preceding paragraph, neither Purchaser nor Seller will be legally bound in any manner unless and until the Purchase Agreement has been prepared, executed and delivered by both Purchaser and Seller.

Please confirm that the forgoing accurately sets for the understanding between Seller and Purchaser by countersigning a copy of this letter and returning it to me.

Sincerely,

**LINCOLN PROPERTY COMPANY COMMERCIAL, INC.**



John S. Herr  
Executive Vice President

**ACCEPTED AND AGREED:**

**SELLER:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Cc: Patrick Gilligan,

Confidential

11.18.2016

# City of Portland & Prologis

2400 NW Front Ave  
Portland, OR

# Contents

- 03 **Section 01**  
Cover Letter
- 08 **Section 02**  
Letter of Intent
- 13 **Section 03**  
Why Prologis
- 17 **Section 04**  
Multi-Story

Prologis Park Osaka #2, Osaka, Japan

# Section 01

# Cover Letter



Prologis Park Port Reading, Jersey City, New Jersey

November 18, 2016

City of Portland, Bureau of Environmental Services  
Michael Jordan, Director  
Eli Callison, Property Manager  
1120 SW 5th Avenue, Room 1000  
Portland, Oregon 97204-3713

C/O Scott MacLean, Senior Vice President  
Colliers International  
851 SW 6th Ave #1200, Portland, OR 97204

Dear Mr. Jordan:

**Re: Proposal to purchase 2400 NW Front Ave, (Terminal 1)**

Prologis appreciates the opportunity to present this offer to purchase the property located at 2400 NW Front Ave., also known as Terminal 1 to the Bureau of Environmental Services. As the largest owner, operator and developer of industrial facilities in the world, Prologis has an experienced development team with a strong local presence and a global development platform. Our goal is update the existing building into a modern facility and build new, modern warehouses on the site. In the entire Portland market, we own and manage over 3M SF of industrial real estate. Over the last two years, we have been actively working to expand our Portland portfolio. We completed and leased a 208K SF development on Airport Way to Bridgestone and acquired a 131K SF class A warehouse nearby. In 2015, Prologis purchased a 678K SF multi-tenant industrial park in N.W. Guilds Lake submarket, commonly referred to as NW Corporate Park. We currently manage this park that is occupied by a combination of 43 local and global businesses and are excited to further invest in this unique industrial market. We have a strong desire to purchase and develop in the Guilds Lake submarket and continue to pursue strategic opportunities to grow our portfolio, with the intention of doubling our holdings by mid-2017.

Prologis has completed preliminary environmental and geotechnical reports, as well as extensive due diligence, on the neighboring property (2700 NW Front Ave). We have incorporated the results of our due diligence on the neighboring property into our financial analysis and have engineered mitigation strategies to resolve the risks.

Over the last 12 months, Prologis has been working with our global customers to provide urban infill real estate to accommodate their rapidly changing distribution needs. The demand for last-mile distribution and e-commerce facilities among our customers has led us to pursue close-in real estate in other major markets in the Northwest of the United States, in particular, San Francisco and Seattle. Compared to traditional warehousing uses, last mile distribution and ecommerce businesses require a higher employee count. Community support and city approvals for these facilities have historically been difficult to obtain, especially with the desire to convert industrially zoned parcels into higher and better uses that often include a mix of office and residential uses. Portland has effectively executed its urban planning strategy, reserving a significant portion of land adjacent to the downtown core for industrial uses that support the needs of the population base, in addition to adding to the health and economic vibrancy of the entire city.

**Prologis – Local Partner to Global Trade**

Prologis is focused on global and regional markets across the Americas, Europe and Asia. With current market capitalization of over \$28 billion, the company's portfolio is comprised of approximately 670 million square feet across 20 countries. Seaport operations specifically represent over 30% of our operating portfolio located in 29 markets with major international seaports. Prologis leases its modern distribution facilities to more than 5,200 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises. By developing and managing high-quality

logistics and industrial facilities in seaport markets, Prologis serves its customers and investors as an integral part of the global supply chain.

### **Project Summary**

Upon acquisition of the subject property, Prologis plans to develop a state of the art multi tenant industrial facility that will accommodate a wide variety of tenants, ranging from local manufacturers in addition to large, global customers. The initial four building, single-story design would provide our current customers the opportunity to expand and enable customers who have historically avoided the NW / Guilds Lake submarket, due to functionality concerns, to conduct business in this submarket. The subject development will utilize principles of adaptive reuse, as we improve the conditions of the existing 96K SF warehouse, while building 3 additional modern facilities. Due to our due diligence experience with the neighboring property, we have included approximately \$4.7M in site improvements to deal with the soil issues, sewer easement, and condition of the pier, all of which will be required in order to develop on the property. We have factored this into our financial analysis.

Prologis is currently studying the development of a one-of-a-kind multi-story industrial building at the site. We are currently developing multi-story buildings in other major west coast markets, such as Seattle and San Francisco, and see the opportunity to develop a hallmark project at the subject property. We would anticipate this 450K SF multi-story development to generate more jobs and accommodate more tenants than the single story option. Due to various soil and structural concerns, we are still exploring this option.

### **Sustainability**

Prologis is a global leader in sustainable property development, with more than 68 million square feet of certified sustainable industrial space developed globally since 2004. We use our global best practice standards to ensure that all projects incorporate sustainable design and construction techniques, while promoting human and environmental health to deliver measurable benefits to our shareholders, our customers, and the communities in which we work. Our proposal capitalizes on our global experience and our local green development expertise to bring modern and sustainable buildings to market.

### **Job Creation**

Prologis is committed to driving employment and small business at the Terminal 1 site through our development plan. Through the world-class design of our facilities we will create the ultimate of efficiencies for our customers; allowing users to optimize their operations and generate hundreds of jobs, creating a swath of new opportunities for the local community. The full buildout of the proposed project would generate approximately 700 jobs for the City of Portland.

### **Financial Strength and Flexibility**

Capital for this transaction is immediately available from our corporate balance sheet, and will be funded on an all-cash basis. No outside fund raising or financing is needed to fund the proposed project.

### **Vertically Integrated**

Prologis is a fully integrated organization with in-house development and operating capabilities spanning design, construction, finance, leasing, property management, and maintenance. In addition to our internal bench strength, we have long standing relationships with best in class local and global consultants that can be called upon at anytime to immediately provide additional support as needed. Prologis is uniquely experienced with complex transactions including public/private partnerships, ground lease arrangements and joint ventures.

### **Proven Local Development Team**

Prologis local development team has a proven track record in executing and delivering logistics related and complex development projects in the Portland area. Prologis' Portland headquarters is located in SW Portland and Prologis combines the reach, relationships and extensive expertise of a global firm, with proven on the ground development execution capabilities and local knowledge.

### **Customer Focused**

Prologis has an experienced team of senior executives in our Global Customer Solutions group dedicated to marketing our properties to logistic customers and their synergies with west coast facilities. The majority of these executives were handpicked from major shipping and logistics organizations where they held key executive positions to form an unparalleled logistics marketing team in the real estate industry. With our global marketing platform and our local presence of over 3 million square feet in the Portland Metro Area, we are uniquely positioned to market this development opportunity to our customers locally and around the globe. We have a long track record as a trusted partner with our global customers to deliver best in class facilities, efficient and standardized transaction practices, and synergies unique to linking multiple facilities across the global supply chain. As we have become aware of this opportunity we have already begun discussions with several of our major customers and believe we can deliver facilities to meet their needs in an immediate time frame.

Our team, guided by the thoughtful plan outlined in our proposal, is poised to make optimal use of the site and to expedite the development to maximize revenue for the BES, the City of Portland and Prologis, while providing world class facilities to our global and local customers.

It is our desire to be selected to enter into a purchase and sale agreement, establishing the opportunity to navigate this site through a successful development. We look forward to engaging in further discussions soon.

Best Regards,

PROLOGIS, L.P.



**Name: Jeff Major**

**Its: Vice President, Investment Officer**

**Date: November 18, 2016**

cc. Sean Colletta, VP, Market Officer – Prologis

# FRONT AVENUE PROPOSAL

2400 NW FRONT AVE.  
PORTLAND, OR 97209

BUILDING 1 AREA:	37,035 SF
AVAILABLE DOCK DOORS:	16
AVAILABLE DRIVE IN DOORS:	4
BUILDING 2 AREA:	50,080 SF
AVAILABLE DOCK DOORS:	20
AVAILABLE DRIVE IN DOORS:	4
BUILDING 3 AREA:	73,500 SF
AVAILABLE DOCK DOORS:	24
AVAILABLE DRIVE IN DOORS:	4
EXISTING BUILDING AREA:	96,000 SF
AVAILABLE DOCK DOORS:	9
LOT AREA:	630,749 SF
BUILDING AREA:	256,615 SF
PERCENT COVER:	41%

**LEGEND:**

- ▲ DOCK DOOR
- ◆ DRIVE-IN DOOR
- LAND
- AVAILABLE AREA
- LEASED AREA



## PROLOGIS®

4380 SW Macadam Ave, Suite 285, Portland, Oregon  
Telephone (503) 276.7373  
Facsimile (503) 276.7372



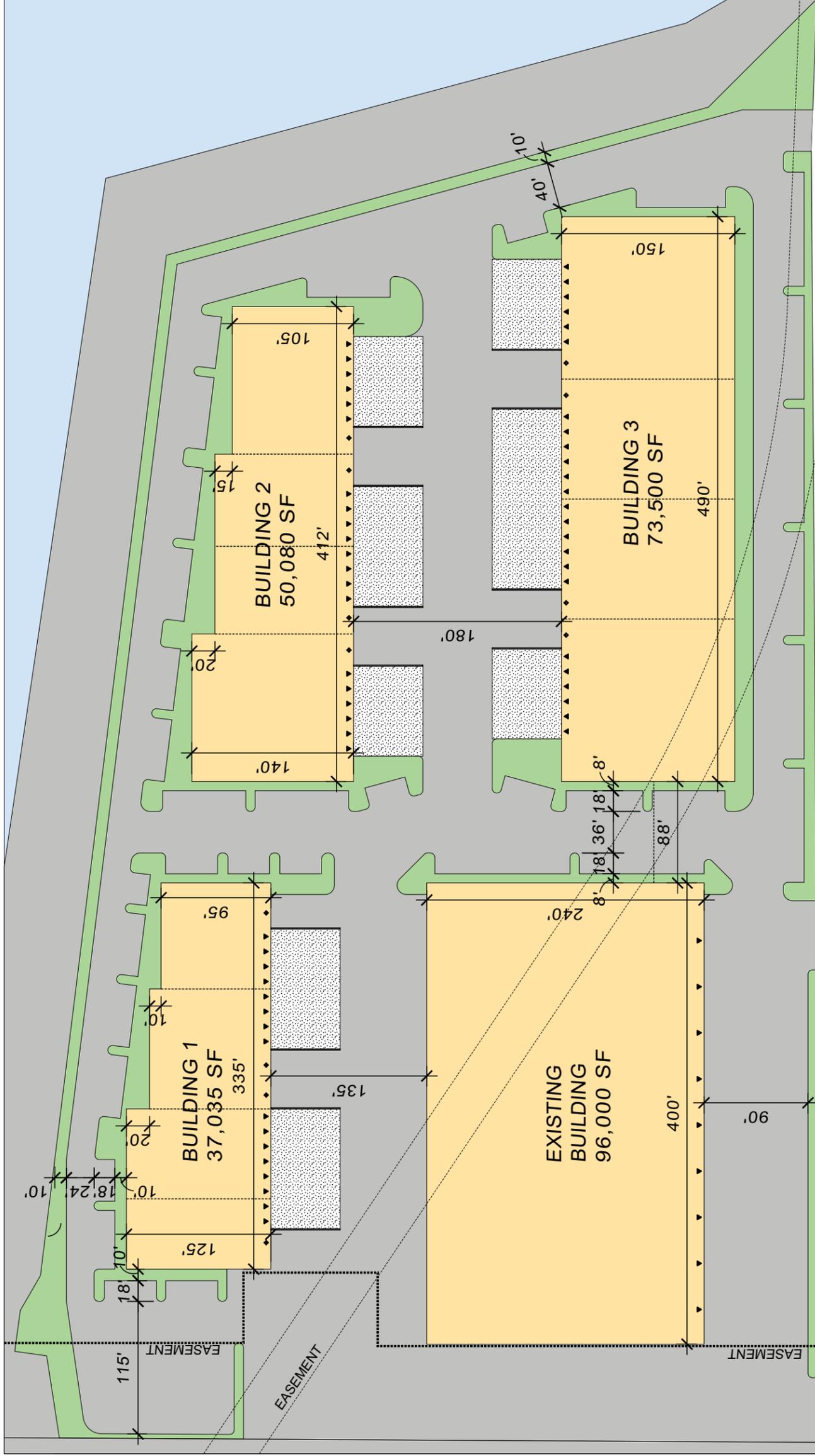
Portland  
503.242.6800  
www.mackenzie.com

Vancouver  
604.683.0775

Seattle  
206.462.9985

**M. Mackenzie**  
Architecture • Interiors  
Planning • Engineering

NOVEMBER 18, 2016 PROJECT #2160348.00



EASEMENT

NW FRONT AVE



Section 02

# Letter of Intent

*Prologis Torrance Distribution Center, Torrance, California*

November 18, 2016

City of Portland, Bureau of Environmental Services  
Michael Jordan, Director  
Eli Callison, Property Manager  
1120 SW 5th Avenue, Room 1000  
Portland, Oregon 97204-3713

C/O Scott MacLean, Senior Vice President  
Colliers International  
851 SW 6th Ave #1200, Portland, OR 97204

**Re: Proposal to purchase 2400 NW Front Ave (Terminal 1). A warehouse building consisting of approximately 96,000 square feet located on approximately 14 acres.**

Dear Mr. Jordan:

This term sheet outlines the basic terms under which Prologis, L.P. or its designated assignee (“Purchaser”), is prepared to consider the acquisition of the Property from BES (“Seller”) and to commence negotiations on a mutually acceptable Agreement of Purchase and Sale (the “Agreement”) for the Property.

1. Purchase Price. The purchase price shall be Ten Million Dollars (\$10,000,000) (“Purchase Price”), subject to customary prorations and adjustments.

2. Earnest Money. Within 5 business days after mutual execution of the Agreement, Purchaser shall deposit the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) with First American Title Insurance Company, 101 Mission Street Suite 1600 San Francisco, CA 94105 (the “Title Company”), which shall be applicable towards the Purchase Price at the closing and refundable as set forth herein. Purchaser shall be entitled to all remedies available at law or in equity for Seller’s default under the Agreement. Should Purchaser elect to proceed to acquire the Property following the expiration of the Due Diligence Period, the earnest money shall become nonrefundable to Purchaser and shall constitute liquidated damages and the sole remedy of Seller in the event of Purchaser’s default under the Agreement, unless Seller defaults or there is a failure of a condition to closing for Purchaser’s benefit.

3. Due Diligence Period.

a. The Agreement will call for Seller to provide Purchaser with copies of the following, and such other information as may be specified in the Agreement, to the extent in Seller’s or its property manager’s possession or control (the “Property Information”): a certified rent roll listing tenant names, delinquencies, defaults and options; complete and correct leases and any lease amendments; operating statements and tenant information; the latest property tax bills and value renditions; environmental reports concerning the Property; any governmental permits or approvals; surveys and site plans; existing title policies; any soils and engineering reports on the Property; maintenance reports and a list of capital improvements; and any other information as may be reasonably requested by Purchaser. All Property Information should be delivered to Prologis, Inc., 4545 Airport Way, Denver, Colorado 80239, Attn: Megan Robert.

b. Purchaser will have a due diligence period of Ninety (90) days (the “Due Diligence Period”), commencing on the later to occur of mutual execution of the Agreement or Purchaser’s receipt of the Property Information, to be satisfied in all respects with the Property, including the physical condition of the Property and the Property’s suitability

for Purchaser's intended use thereof. The length of the Due Diligence period is due to the time required to conduct an extensive geotechnical study and incorporate the findings into an economically feasible foundation design. The preliminary costs for the foundation work has been reflected in our cover letter. If Purchaser is not satisfied with the Property in its sole discretion, it may elect, on or before the expiration of the Due Diligence Period, to terminate the Agreement and receive a refund of its earnest money and any interest earned thereon. Purchaser will have an extension right for an additional 45 days to work through "river dependent uses", green trail overlay, and if Phase II environmental work is required.

c. Subject to the rights of the tenant(s) of the Property, from and after mutual execution of this letter and during the pendency of the Agreement, Purchaser or its agents or representatives shall have the right to inspect the Property and make tests thereon for the purpose of satisfying itself regarding the physical condition of the Property and its suitability for Purchaser's intended use thereof. Upon the completion of any such inspection or test, Purchaser shall restore the Property to substantially the same condition as existed prior to such inspection or test. Purchaser shall indemnify, hold harmless and defend Seller from any loss, cause of action or claim arising out of or resulting from Purchaser's actions under this subparagraph.

d. Prior to execution of the Agreement, Seller shall promptly notify Purchaser prior to entering into any leases or contracts for the Property, or any amendments thereto. After execution of the Agreement, Seller shall not enter into any leases or contracts for the Property, or any amendments thereto, without Purchaser's prior written consent. Seller shall terminate as of the closing date any service contracts, including any management agreements, which Purchaser does not elect to assume and Seller shall indemnify Purchaser for any loss incurred thereunder.

e. Purchaser will perform baseline environmental services and geotechnical reports due to our extensive work Purchaser performed on the neighboring site. Geotechnical conditions at the neighboring property are poor and Purchaser has obtained pricing on deep foundation work necessary to develop on the site. Furthermore, Purchaser will need to work through life safety issues associated with the dock and confirm the long standing practices of leasing the building in regards to the river dependent use requirement.

4. Conditions to Closing. The Agreement will include the following conditions to Purchaser's obligation to purchase the Property:

a. There shall have been no change in the condition of or affecting the Property.

b. Prior to closing, Seller shall have obtained tenant estoppels from all tenants on the Property using Purchaser's standard form of estoppel. If Seller does not obtain all estoppels by closing, Purchaser may elect to either: (i) terminate the Agreement and receive a refund of the earnest money (together with any interest thereon), or (ii) require Seller to provide a Seller estoppel in lieu thereof and in form and content substantially similar to the tenant estoppel.

c. The Seller will indemnify the Purchaser for any and all previous environmental liability associated with the past uses of the Property.

In the event Purchaser gives Seller notice that any or all of the conditions above are not fulfilled by the closing, the Agreement will terminate and be of no further force or effect, and the earnest money will promptly be returned to Purchaser.

5. Closing and Proration.

a. Closing of the transaction contemplated by this letter of intent shall take place Five (5) days after the expiration of the Due Diligence Period, or such earlier time after the execution of the Agreement as Purchaser may designate upon not less than 5 days' prior written notice to Seller. At the closing, title to the Property will be conveyed by Seller to Purchaser in fee simple absolute, subject only to real estate taxes not yet due and payable, tenant leases shown on the rent roll

and such other exceptions to title as have been disclosed to and approved by Purchaser. At the closing, Seller will furnish to Purchaser at Seller's cost an ALTA policy of title insurance in the full amount of the purchase price issued by the Title Company, containing extended coverage and such other endorsements as Purchaser may require. Provided Purchaser acquires the Property, Seller shall pay for the cost of the survey. Seller shall pay all transfer taxes, stamp taxes, recording fees and similar costs in connection with the transfer of the Property to Purchaser. Each party shall pay one-half of any escrow or closing fee.

b. Income and expenses shall be apportioned between Seller and Purchaser as of the closing, with the day of closing being a day of income and expense to Purchaser. Purchaser shall receive a credit for expenses applicable to Seller's period of ownership and not paid as of closing, including real estate taxes and assessments, whether or not then due and payable. Uncollected income shall not be prorated at closing. If the actual amounts of such items are not known at closing, such items shall be apportioned as of the closing based on estimates and re-prorated when the actual amounts are determined.

6. Representations and Warranties. Seller will make the customary representations and warranties expected of a seller of real estate similar to the Property, including due authorization, status, accuracy and completeness of leases, rent roll and service contracts, the absence of pending litigation, violations of applicable laws and ordinances, delivery of all material property information, and the absence of hazardous materials on the Property.

7. Confidentiality. The parties will maintain the confidentiality of the terms of the transaction and the contents of this letter and the transaction documents, except that either party may disclose the terms hereof to its officers, employees, investment managers, investors, consultants, attorneys, lenders or advisors or as required by law or stock exchange rules.

8. Brokerage. Peter Stalick with Kidder Mathews is the representative of the Buyer.

9. Legal Effect.

a. Purchaser and Seller each acknowledge that a transaction of this type involves terms and conditions which have not yet been agreed upon and that this letter is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction, but contemplates and is subject to the negotiation and execution of the Agreement. Except as provided in Paragraph 3(c), Paragraph 8 and in subparagraph (b) below, neither Purchaser nor Seller will be legally bound in any manner or have any obligations to each other unless and until the Agreement has been executed by both parties. The provisions of Paragraph 3(c), Paragraph 8 and subparagraph (b) below are intended to be and shall be legally binding upon the parties. Any actions taken and expenses incurred prior to entering into an Agreement are taken at a party's own risk, and will not be deemed to evidence the existence of a contract, nor shall they give rise to any claim against the other, including without limitation, any claim for reimbursement of such expenses. The parties each expressly assume the risk that during any negotiation they may incur fees and expenses, or that they may forego other business opportunities or transactions, as a result of the transaction contemplated herein. The fact that either party may incur such expenses, or forego such opportunities, shall not, under any circumstances, give rise to a claim against the other.

b. Until the earliest of 35 days after the acceptance of this letter of intent by Seller, the execution of the Agreement or the written termination of this letter of intent by Purchaser, Seller will not negotiate or make or accept any offers to purchase or sell the Property or any part thereof from any other person. The Agreement shall provide that the Seller will not solicit or accept any offers, whether or not binding, regarding the Property during the Due Diligence Period and thereafter until closing.

c. Prior to the execution of the Agreement, this letter of intent constitutes the entire understanding and agreement between the parties concerning the proposed transaction and the terms of this letter of intent may not be modified, revised, waived, or voided except by an express written instrument executed by both parties. Upon execution of the Agreement, this letter of intent shall terminate.

10. Seller's Counsel. Purchaser will prepare a draft Agreement for review by Seller and its counsel. To expedite delivery of the draft Agreement, please complete the name, address, phone number and facsimile number of Seller's legal counsel for this transaction:

\_\_\_\_\_  
\_\_\_\_\_  
**Phone:** (\_\_\_\_) \_\_\_\_\_  
**Facsimile:** (\_\_\_\_) \_\_\_\_\_  
**Email:** \_\_\_\_\_

11. 1031 Exchange. Purchaser may consummate the sale contemplated by the Agreement through a like-kind exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code. The Purchaser would effect the Exchange through a qualified intermediary and the Exchange shall not modify the parties' liabilities or obligations under the Agreement.

If the foregoing is acceptable, please evidence your acceptance by executing a copy of this letter and returning it to us by email or facsimile transmission no later than 5:00 p.m. PDT on December 19, 2016, after which time this letter will automatically expire. We look forward to working with you to successfully complete this transaction.

PROLOGIS L.P.,

AGREED TO AND ACCEPTED

By: Prologis, Inc., its general partner

on this \_\_\_\_\_ day of \_\_\_\_\_



By \_\_\_\_\_

Name: Jeff Major

Its \_\_\_\_\_

Its: Vice President, Investment Officer

Date: November 18, 2016

cc. Sean Colletta, VP, Market Officer – Prologis

## Section 03

# Why Prologis



*Prologis Ports Jersey City, New Jersey*

# About Prologis

Eemhaven, Rotterdam, Netherlands



- Leading global owner, operator and developer of industrial real estate with 666 million square feet of space
- \$57.3 billion<sup>(1)</sup> in assets under management, \$34.3 billion<sup>(1)</sup> PLD share
- Total revenues of \$2.6 billion on PLD share basis<sup>(2)</sup>
- \$2.7 billion global development pipeline and \$1.6 billion land bank on PLD share basis
- Global 100 Most Sustainable Corporations in the World
- Investment grade credit ratings of Baa1/BBB+<sup>(3)</sup>

Note: Data as of September 30, 2015

1. Based on fair market value of investment management co-investment ventures and estimated investment capacity

2. PLD Share Q3 Total Revenues annualized

3. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time

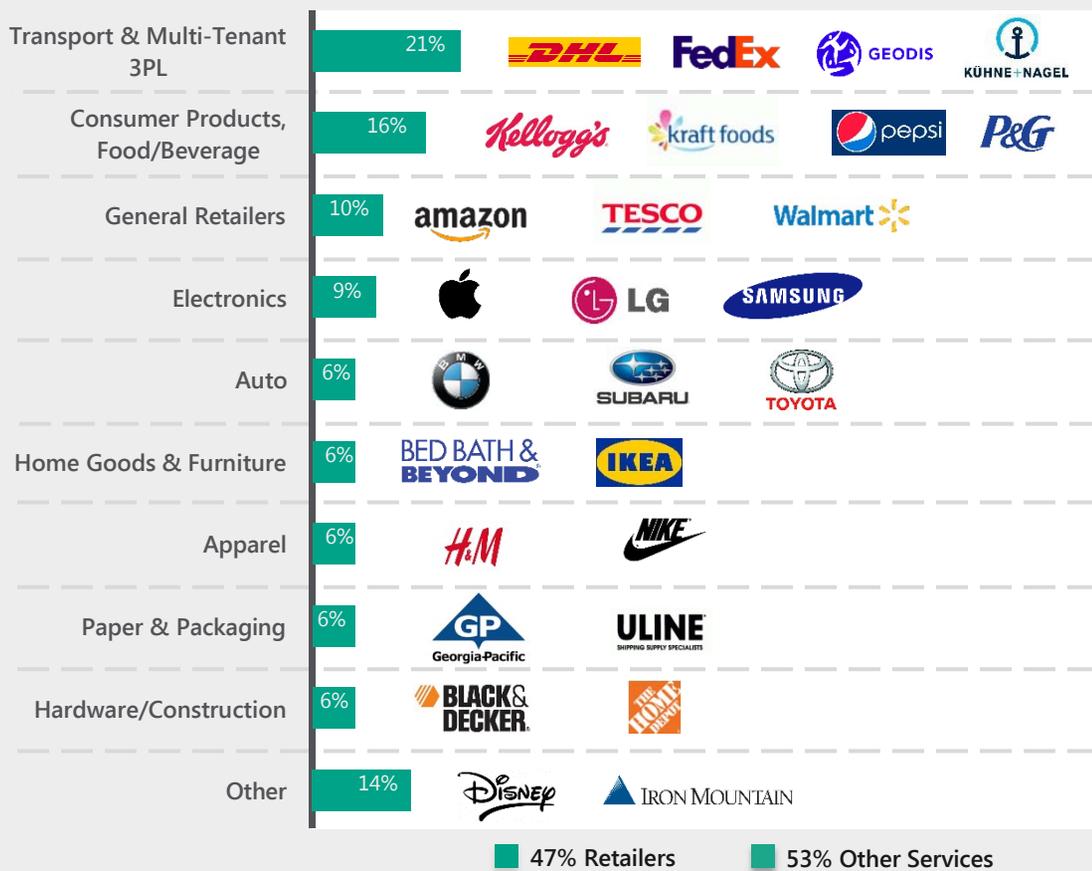


# We are a Trusted Partner to the World's Best Brands

## Demand is Diverse by Industry

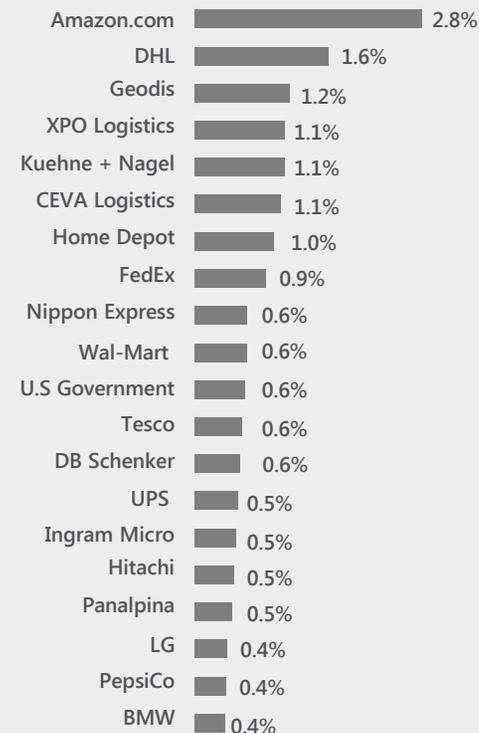
### Portfolio Composition by Industry<sup>(1)</sup>

- Traditional activities include store distribution, wholesaling, transportation and light manufacturing
- E-fulfillment, which comprises 10% of the portfolio, is the fastest growing segment



### Top 20 Customers

Comprise only 16.9% of Net Effective Rent of Total 5,200 Customers



# World's Leading Owner, Operator and Developer of Logistics Real Estate

- Our business draws on consumption, trade, supply chain modernization and e-commerce
- Irreplaceable portfolio focused on the world's most vibrant markets
- Longstanding relationships with broad group of customers and premier institutional partners
- Strong financial framework optimized for the future
- Business model uniquely designed to deliver superior results

Prologis Park Bolton, Toronto, Canada

Confidential

## Section 04

# Multi-Story Development

Prologis Park Jersey City, New Jersey



# Urban Infill Industrial Development



Prologis Seattle Georgetown Crossroads Land Site



- Prologis has been acquiring urban infill industrial properties for redevelopment in major west coast markets such as Seattle and San Francisco.
- Due to land constraints and economic drivers of major US markets, Prologis has launched multi-story industrial developments, the first of its kind in the United States.
- Our 3-story project in Seattle represents the first traditional industrial multi-story development in the US, with an estimated delivery date of 4Q2018.
- Due to the subject site's proximity to downtown Portland, Prologis is exploring a hallmark multi-story industrial development that will attract a diverse range of businesses and their employees.

# Seattle Georgetown Crossroads



Prologis developing first multi-story industrial development in the United States

As seen on Wall Street Journal: [www.wsj.com/articles/prologis](http://www.wsj.com/articles/prologis)

[Click Here for Article](#)

# Conceptual Portland Terminal 1 Industrial Park (multi-story)



Graham Taylor  
Investment Properties

CBRE, Inc.  
Brokerage Services

November 18<sup>th</sup>, 2016

Mr. Scott MacLean  
Colliers International  
851 SW Sixth Avenue, Suite 1200  
Portland, OR 97204

**Re: Terminal 1, Portland, OR**

Dear Scott:

The following offer is meant to demonstrate Tandem Development Corp's clear interest in Terminal 1. The offer is straight forward:

- no financing contingencies
- no zone change requests
- no need for permits
- no requirement to negotiate or execute any leases

Our goal is to return to the City of Portland's water and sewer ratepayers the highest value for the property with the greatest certainty of closing.

We want to provide a long term location for jobs and economic activity within the City of Portland while improving connectivity to the Willamette River and encouraging a healthy ecosystem and watershed.

We look forward to your feedback and thoughts.

Best regards,



Graham Taylor

Enclosure

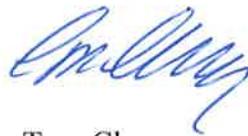
**CBRE**

Capital Markets

Wells Fargo Center  
1300 SW Fifth Avenue  
Suite 3000  
Portland, OR 97201-5637

503 221 4830 Tel  
503 200 9216 Cell

graham.taylor@cbre.com  
www.cbre.com/graham.taylor



Tom Clarey

*President T.D.C.*

Graham Taylor  
Investment Properties

CBRE, Inc.  
Brokerage Services

November 18<sup>th</sup>, 2016

Mr. Scott MacLean  
Colliers International  
851 SW Sixth Avenue, Suite 1200  
Portland, OR 97204

**Re: Terminal 1, Portland, OR**

Dear Scott:

This Letter of Intent will set forth the business terms of a Purchase and Sale Agreement for the Terminal 1, to be executed by Tandem Development Corp or their nominees as an acquiring entity.

1. **PURCHASER:** Tandem Development Corp, and/or its assigns as set forth in Section 13.
2. **SELLER:** City of Portland, Bureau of Environmental Services
3. **PROPERTY:** The 688,422 +/- square foot land site and the 160,000 +/- square foot pier encompassing Multnomah County parcel number R269775, located at 2400 NW Front Avenue, Portland, Oregon, and all real property, personal property, building improvements, land use approvals, permits, surveys of the land, architectural and engineering drawings, geotechnical reports, environmental studies, privileges, easements, interests, appurtenances, riparian ownership or rights and all intangible property related thereto.
4. **EARNEST MONEY DEPOSITS:** An Initial Deposit of one million dollars (\$1,000,000) cash shall be due within two (2) business days of mutual signing of the Purchase and Sale Agreement. At the end of the Due Diligence Period, the Initial Deposit of one million dollars (\$1,000,000) cash shall be non-refundable to Purchaser, except in the case of default by the Seller.

The Earnest Money Deposit shall be deposited with Escrow in an interest bearing account and shall be credited toward the Purchase Price at Closing.

5. **PURCHASE PRICE:** Purchase Price shall be ten million five hundred thousand dollars (\$10,500,000) cash at Closing. Property shall be delivered free and clear of any existing LID's, liens or financing at Closing.
6. **DUE DILIGENCE PERIOD:** Purchaser shall have seventy-five (75) days from signing of the Purchase and Sale Agreement to evaluate the suitability of the Property for Purchaser's ownership of the Property. Due diligence shall include: review of zoning, land use approvals, all

**CBRE**

Capital Markets

Wells Fargo Center  
1300 SW Fifth Avenue  
Suite 3000  
Portland, OR 97201-5637

503 221 4830 Tel  
503 200 9216 Cell

graham.taylor@cbre.com  
www.cbre.com/graham.taylor



architectural and engineering plans, reports, drawings, specifications, permits, surveys, leases, operating expenses, vendor contracts, preliminary title report, environmental review, engineering studies, and any other reviews that Purchaser wants to perform at its expense. Seller will supply Due Diligence materials in its possession within five (5) days of the signed Purchase and Sale Agreement. Seller will make the Property available to those parties performing Due Diligence at reasonable times as requested by due diligence teams.

Purchaser understands the Property to be zoned Heavy Industrial (IH), with a River Industrial (i) overlay, within the Industrial Sanctuary (IS) Comp Plan and the Guilds Lake Plan District (GS). Purchaser will not seek a zone change, conditional use or any limited use exemption as a condition of purchase.

Building and/or occupancy permits shall not be a condition to purchase.

Pre-leasing the premises shall not be a condition to purchase.

Financing shall not be a condition to purchase.

Purchaser shall commission an update to the 2011 Pier Inspection Report within five (5) business days of signing the Purchase and Sale Agreement. Purchaser shall have the right to extend the Due Diligence Period by thirty (30) days solely for the purpose of obtaining a final update to the Pier Inspection Report by posting an additional two hundred fifty thousand dollars (\$250,000) cash deposit.

Purchaser and Seller agree to move toward Closing using good faith efforts.

At any time during the Due Diligence Period, Purchaser, at its sole and absolute discretion, may cancel the Purchase and Sale Agreement and receive a full refund of the Earnest Money Deposit(s).

7. **OPERATIONS PRIOR TO CLOSING:** Seller shall maintain and operate the Property prior to Closing, and shall have done nothing to damage the reputation or suitability of the Property for the Purchaser's ownership.

8. **CLOSING:** Close of escrow shall occur fifteen (15) days after expiration of the Due Diligence Period.

9. **CLOSING COSTS:** Standard coverage title insurance and broker fees shall be Seller's obligations. Purchaser shall pay the incremental premium for extended coverage title insurance. Recording fees, escrow fees, pro rates and all other costs and charges of the escrow and closing shall be paid in the manner customary in the county in which Property is located.

10. **TITLE AND ESCROW COMPANY:**



Chicago Title Company of Oregon  
1211 SW 5<sup>th</sup> Ave, Suite 2130  
Portland, OR 97201  
Attention: Jennifer Lyke

11. **1031 EXCHANGE:** Seller and Purchaser agree to cooperate with each other in accomplishing a tax deferred exchange(s) (each a "1031 Exchange"). Neither Seller nor Purchaser shall be required to incur any additional expenses, which may arise from a 1031 Exchange requested by the other party.
12. **REPRESENTATIONS AND WARRANTIES:** The Purchase and Sale Agreement shall contain customary covenants, agreements, representations and warranties.
13. **ASSIGNMENT:** Purchaser shall have the right, after giving written notice to Seller, to assign the rights and obligations under this Letter of Intent to a single asset entity controlled by, or under control of, Purchaser.
14. **AS-IS:** Property is being sold as-is. It is the Purchaser's understanding that there are no known environmental conditions. Purchaser shall not be liable or responsible for any pre-existing environmental contamination.
15. **TENANT LEASES/CONTRACT SERVICES:** Seller will cause any existing or future leasehold interest to the Property to terminate and vacate prior to closing. Purchaser will not assume any service contract without prior written approval.
16. **BROKERS:** Each party shall indemnify the other party against claims for any and all fees and commissions of any brokers claimed to be due and payable in connection with the sale of the Property other than CBRE and Colliers International, who's respective commissions shall be paid by Seller per separate agreement with Colliers International.
17. **TERMINATION:** If this Letter of Intent accurately reflects the understanding between Seller and Purchaser with respect to the option to purchase the Property, please execute two copies of this Letter of Intent in the space provided below, return one fully executed copy to us and retain the other for your records. If this Letter of Intent is not accepted by Seller's signature below prior to 5:00 pm PST on Friday, December 2<sup>nd</sup>, 2016, this Letter of Intent shall lapse and shall be deemed terminated, without further force or effect.

It is understood that the foregoing outline of the Purchase and Sale Agreement is not, nor is it intended to be, a binding Purchase and Sale Agreement. Furthermore, it is understood that the purpose of this Letter of Intent is to outline select terms by which the parties shall exclusively work in good faith for thirty (30) days toward an acceptable and fully binding Purchase and Sale Agreement.



If the above terms are agreeable, please indicate by signing below.

Please call to discuss in greater detail. We look forward to hearing from you.

Best regards,

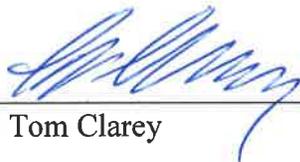


Graham Taylor

**AGREED AND ACCEPTED:**

**PURCHASER:**

Tandem Development Corp.

  
\_\_\_\_\_  
By: Tom Clarey

Its: President \_\_\_\_\_

Date: 11/18/16 \_\_\_\_\_

**SELLER:**

Bureau of Environmental Services

\_\_\_\_\_  
By:

Its: \_\_\_\_\_

Date: \_\_\_\_\_

November 18, 2016

Mr. Scott MacLean  
Colliers International  
851 SW 6<sup>th</sup> Avenue, Suite 1200  
Portland, OR 97204

**Re: CONFIDENTIAL  
2400 NW Front Ave  
Non-Binding Letter of Intent for proposed purchase industrial property owned by  
City of Portland's Bureau of Environmental Services**

Mr. MacLean,

Cody Development Corp. dba project<sup>^</sup> (under an LLC to be created) would like to propose the following business terms under which they would be interested in moving forward with the purchase of property. As you likely know, [project<sup>^</sup>](#) recently capitalized the [Field Office](#) project on Front Ave. just south of the subject site. This project is under construction and validates my client's ability to perform. Furthermore, my client is working with an anchor tenant to kick off the redevelopment of the property into a modern jobs center- a new and innovative business park. This use would comply, in all respects, with the existing zoning and it is my client's intent to refurbish the dock for possible maritime use. I have attached information on my client as well as a letter from their prospective tenant.

- 1) **Seller:** City of Portland
- 2) **Buyer:** Cody Development Corp. and/or assign
- 3) **Property:** Approximately 14.48 acres, 3.6 acre dock area and associated improvements.
- 4) **Purchase Price:** The purchase price shall be Ten Million Fifty Thousand Dollars (\$10,050,000).
- 5) **Earnest Money:** The Earnest Money shall be Fifty Thousand Dollars (\$50,000). The Earnest Money shall be fully refundable until such time as Buyer waives their conditions to purchase as outlined in the Purchase agreement.
- 6) **Title Company:** Escrow shall be opened with Ticor Title's downtown Portland branch. Attn: Candice Wedeschel.

- 7) Buyers Conditions to Purchase:** Buyer shall have an initial due diligence period of ninety (90) days.
- The due diligence period will be for Buyer to satisfy their conditions to purchase the property at their sole discretion and for Buyer to market the property as a newly proposed development. Buyer to be responsible for all costs relating to their due diligence and marketing. Seller's broker to remove their brokerage sign from the property during the escrow period.
- 8) Property Condition:** The property shall be sold AS-IS WHERE IS and shall be delivered vacant or with existing tenants on month-to-month leases with estoppels provided by tenants.
- It is Buyer's understanding that there are no environmental issues which negatively affect the development of this property or increase the cost of development. Buyer will conduct due diligence on the property in order to confirm this is the case.
- 9) Closing:** The Closing Date shall be within thirty (30) days following Buyer's written waiver of their conditions to purchase as outlined in the purchase and sale agreement. Buyer may extend Closing up to sixty (60) days upon written notification and deposit of One Hundred Thousand Dollars (\$100,000) in escrow for each thirty (30) day extension.
- 10) Seller's Documents:** Seller will provide readily available documents to Buyer relating to the property in Seller's possession or control within thirty (30) days of a fully executed Purchase and Sale Agreement.
- 11) Purchase and Sale Agreement:** In the event this Letter of Intent is fully executed and terms are agreed upon, Buyer will draft a Purchase and Sale Agreement (the "Agreement"). The Agreement will be prepared by the Buyer no later than fifteen (15) days following execution of this LOI and will provide for the purchase and sale of the Property consistent with the terms and conditions contained herein and shall contain such other terms and conditions as are customary in real estate transactions of this nature.
- 12) Good Faith Obligation to Negotiate Agreement:** Neither Purchaser nor Seller will be legally bound in any manner unless and until the Agreement has been prepared, executed, and delivered by both Purchaser and Seller. Upon execution of this Letter of Intent, Buyer and Seller shall have a thirty (30) day period during which to

exclusively negotiate the Purchase and Sale Agreement. Seller agrees to not enter into any negotiations for the sale of this property with any other party during this thirty (30) day period.

**13) Transfer of Title:**

Seller shall convey by statutory warranty deed good and marketable fee simple title to the Property to Buyer at Closing, free and clear of all liens and encumbrances and defects (including all assessments levied and of record at closing) except those accepted in writing by the Buyer. The Property shall be sold "as is" without representation or warranty by the Seller except those normally contained in the Deed referenced above. Within ten (10) days of execution of the Agreement, Seller will deliver to Purchaser a preliminary title commitment from the title company together with complete and legible copies of all documents shown therein as exceptions to title. Purchaser shall have until the end of the due diligence period to review and to object to any exceptions which buyer is not willing or able to remove. At closing, the Seller will pay: (a) the premium for the owner's standard title insurance policy (b) those amounts to be prorated through closing and paid by Seller pursuant to the Agreement (c) transfer taxes if any and (d) one-half escrow fees. Each party shall pay the costs and expenses of the attorneys, accountants and other agents and consultants engaged by the particular party.

**14) Brokerage:**

Both Seller and Buyer acknowledge that Kidder Mathews represents the Buyer in this transaction and Colliers International represents the Seller. In the event a transaction is consummated, a real estate commission shall be paid in accordance with Seller's commission agreement with Colliers International.

**15) Non-Binding:**

This Letter of Intent is an expression of understanding and intention only, and if accepted, it will provide guidance for drafting agreements acceptable to Buyer and Seller and their respective counsel, which will be binding only after execution and delivery of such agreements. This Letter of Intent is neither an offer nor an acceptance of an offer, nor does this Letter of Intent in any way constitute a binding obligation upon either party.

Please let us know if there are any questions. We appreciate your consideration of the property and look forward to working with you towards a mutually acceptable solution.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Stalick', written over a horizontal line.

Peter Stalick  
Senior Vice President  
Kidder Mathews

Cc: Mr. Thomas E. Cody

**Agreed and Accepted: Buyer:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Agreed and Accepted: Seller:** \_\_\_\_\_ **Date:** \_\_\_\_\_

August 15, 2016

851 SW Sixth Avenue, Suite 1200  
Portland, Oregon 97204

EYELEVEL, an InnerWorkings Company  
6720 N Basin Avenue  
Portland, OR 97217

**Re: project^ support letter for 2400 NW Front Offering Memorandum**

Mr. Scott MacLean,

I am writing this letter on behalf of the US Headquarters for EYELEVEL and our support for the proposal submitted by project^ for the 2400 NW Front property.

EYELEVEL is a retail fixture company that creates retail environments, brand initiatives, campaigns, and digital work. Globally, we have over 400 employees with 100 million in revenues. Our US headquarters located in Portland, Oregon was a 2007 startup that began with just one person. Listed as one of the PBJ's "50 fastest growing companies in Oregon" in 2012-2013, we now have 70 full-time employees and up to 70 temporary warehouse staff working with us daily that generate revenues of \$22 million annually.

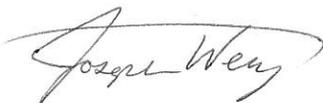
We work directly with major brands including Nike, adidas, and Columbia and source more than 50% of our products from domestic manufacturers; the majority of which are in Oregon. Our work goes directly to creating and supporting local manufacturing jobs. Additionally, our offices are certified Silver with "Sustainability at Work" from the Bureau of Planning and Sustainability.

As of 2013, we have become part of a larger network with InnerWorkings, our parent company. InnerWorkings adds to our breath and backing and expands our brand outreach with a network of 1,5000 employees globally and over 1 billion in annual revenues.

-----  
We have been in discussions with project^ about relocating and expanding our current Portland operations to include over 24,000 square feet of office (doubling our current space) with 80,000 square feet of connected warehouses space.

Talking to project^ was a result of a two-year search for a location that meets our specifications of an inner Portland location that: 1) is connected to transit to facilitate our warehouse labor staff; 2) a bike-able location for our permanent and temporary staff; 2) truck and highway access for shipping; 3) adequate loading zones and height of warehousing space; and 4) in close proximity to our clients. We have done an exhaustive search in the City of Portland for a suitable industrial property and realized that sites that can accommodate our needs are extremely rare, which has caused, to our dismay, the idea of leaving the City of Portland.

The 2400 NW Front Avenue site is the most ideal location that we have come across and we are looking forward to this as our potential new home. Thank you for your consideration.



Joseph Wenz  
Operations Director  
EYELEVEL, an InnerWorkings Company



Ed Halla  
Managing Director  
EYELEVEL, an InnerWorkings Company

# project<sup>^</sup>

We are a values-driven real estate developer providing resources, practices, and stewardship for our partners. We maximize environmental, social, and economic benefits inherent in meaningful places.



# Foundation



## project^

Project^ is a values-driven real estate developer providing resources, practices, and stewardship for our partners. We maximize environmental, social, and economic benefits inherent in meaningful places, developing lasting high-quality projects through careful planning and execution, and by paying particular attention to details. The idea is simple: complement the community, design for demand and the end users, and set a new standard for sustainability, quality, and management. Project^ partners with individuals, companies, and investors that share the vision of maximizing their triple-bottom line.

Community context is important, and design matters. Our goal is for every project^ development to be relevant today and far into the future. We have a broad portfolio of experience, having planned, financed, and executed more than 20 projects with skills that fall in the intersection of the public and private sphere. We have worked with a diverse mix of stakeholders in a multi-disciplinary setting to achieve both institutional values and private enterprise. We have specific experience developing property for the private sector in a manner that enables institutions to progress in the context of their key objectives.

## CONTACT

project^  
413 SW 13th Avenue, Suite #300  
Portland, OR 97205

503.922.0056  
info@projectpdx.com  
www.projectpdx.com

## campus^

Campus^ applies our experience and values to envisioning, financing, executing, and managing extraordinary student communities. Although we have been working in this space for over a decade, campus^ is a new, thoughtful approach, involving new partners, and yielding a new paradigm. Campus^ is built around a high caliber and experienced executive team that finances and manages the off-campus projects in our portfolio.

Our interest in innovation, our ethics and our entrepreneurial and collaborative spirit relate well to colleges and universities and their constituents. Through careful planning we bring resources, spatial solutions, and program elements (often in a mixed-use format) that complement campus life. Campus^ environments are designed to provide lasting value to the community and enhance the academic and social experience of students.

## 1% for the Planet

Project^ is a member of 1% for the Planet. Members donate at least 1% of sales to nonprofit partners primarily focused on environmental issues. Members support thousands of nonprofit organizations helping to save land, protect forests, rivers and oceans, make agricultural and energy production more sustainable, getting toxins out of the environment, plastics out of the oceans and more. Project^ support have included The Bicycle Transportation Alliance, 1000 Friends of Oregon, DePave, and Passive House Northwest.



MEMBER SINCE: 03/01/2013



## Awards

### Union Way

- AIA Portland Design Awards, Mayor's Award for Design Excellence, 2013
- AIA Portland Design Awards, People's Choice Awards, 2nd Place, 2013
- PORT, portlandart.net, Architecture in Portland: Best and Worst Developments of 2013
- Portland Business Journal, Better Bricks Awards, Retail Project of the Year, 2014

### ArtHouse

- AIA Portland Design Awards, Built Category, Citation, 2013
- AIA Northwest & Pacific Region, Design Awards, Citation, 2014
- Daily Journal of Commerce, TopProjects, Private Buildings, 2nd Place, 2014
- PORT, portlandart.net, Architecture in Portland: Best and Worst Developments of 2013

### The Emery

- Portland Business Journal, Better Bricks Awards, Community Impact Developer of the Year, 2014
- PORT, portlandart.net, Architecture in Portland: Best and Worst Developments of 2013

### Skybox

- Daily Journal of Commerce, TopProjects, Private buildings \$5.1-\$15 million, Finalist, 2012
- Engineering News-Record, Best Projects ENR Northwest, Award of Merit, Residential/Hospitality, 2012

### Courtside

- Student Housing Business, Innovator Award, Off-Campus: Best Use of Green and Sustainable, 2012

### Company-Wide

- Portland Business Journal, Book of List, Top Commercial Developers, 2014-2015



## Executive Team

The executive team has over \$1B of commercial real estate development experience including approximately \$660M in the last 10 years alone. The Executive Team is lead by Tom Cody with Anyeley Hallova and Jonathan Ledesma as Partners.



## Tom Cody

Managing Partner

Tom Cody is an industry leader in public/private partnerships and sustainable transit-oriented buildings. As a real estate executive, Tom has over 20 years of experience executing mixed-use, transit-oriented, sustainable developments and is an industry leader in public/private partnerships. He has successfully developed 33 projects ranging from \$3 million to \$300 million, and he has completed over \$311 million of mixed-use development within the last seven years. His experience includes a broad range of product types, including flex, industrial, office, retail, multi-family, student housing, academic facilities, and large-scale urban mixed-use projects.

Prior to founding project<sup>^</sup>, Tom was for seven years a principal and partner at Gerding Edlen Development (GED) in Portland, Oregon. While there, Tom originated and oversaw large-scale urban mixed-use developments in Oregon and California and the company's operations in California. Tom was instrumental in transforming GED from a local developer into a prominent force in West Coast urban development. During his tenure GED became the nation's leading sustainable developer with over 30 LEED projects including three platinum projects, the largest platinum office building in the country, the first and second LEED gold condominium projects in California, and the first LEED platinum condominium project in the world.

Prior to GED, Tom was Director of Real Estate for Opus Northwest's Portland office and developed a number of projects for the Sivers Companies. At Opus, Tom honed his skills in merchant building and institutional underwriting. Before embarking on his real estate career, Tom worked for three years in the office of architect Frank O. Gehry in Santa Monica, CA.

Tom has been responsible for initiating and managing all aspects of large-scale development projects. Some of his most notable projects have been groundbreaking urban redevelopment projects and public/private partnerships with colleges and universities and private non-profits. Tom is a fixture in both the California and Oregon development industries, working with the public and private sector helping to shape smart growth policies.

Tom is a long standing member of the Urban Land Institute (ULI); a regular speaker and industry expert on urban development, sustainability, and placemaking; an invited Juror on ULI's Award for Excellence (The Americas); a Juror for the Hines Student Urban Design Competition; and a member of ULI's Sustainable Development Council. In 2008 The Portland Business Journal named him one of the city's "Top 40 Under 40" and was named a "Mover and Shaker" for 2009 by Metropolitan Magazine in San Diego.

### EDUCATION

Master of Urban Planning  
Harvard University

Bachelor of Urban Planning and Development  
University of Southern California



## **Anyeley Hallová**

Partner

Anyeley Hallová is a development professional and urban designer with a range of experiences from mixed-use sustainable developments to large-scale urban master plans. Anyeley's passion is creating unique developments that reflect the flavor of the local culture, respect the natural environment, and build community. Her strong technical and creative backgrounds enable her to successfully lead and participate in multi-disciplinary teams with diverse stakeholders.

Her core focus within the company is shepherding projects through entitlements with a specialization in market research, pre-development activities, project management, and leasing/marketing efforts for purpose-built student housing.

Before joining project^, Anyeley served as a Development Manager for Gerding Edlen Development in Portland, where she worked on student housing, civic projects, and public-private partnerships. Her roles at GED included pre-development planning, proforma analysis, design supervision, and construction management.

### **EDUCATION**

Master of Landscape Architecture  
Harvard University

Master in City Planning  
Massachusetts Institute of Technology

Bachelor of Environmental Systems Technology  
Cornell University

Anyeley began her career as an Associate Urban Designer at the leading design firm EDAW Inc, now AECOM Design. While there, she managed a broad range of projects including: a master plan for Fredrickstad, St. Croix; transit-oriented mixed-use developments along the Beltline Transit Corridor in Atlanta; and greenway plans to facilitate land acquisition for the Trust for Public Land. With the Prime Minister of the Bahamas as the client, she was a lead designer for the downtown master plan for Nassau; and was a designer for Porta Nuova one of Europe's largest urban regeneration projects.

Anyeley is published researcher and writer on cultural/agricultural landscapes and developing public consensus. She is also a guest design critic at Universities including Louisiana State, Harvard, Auburn, Georgia Tech, and Portland State. She has been a juror for the ULI Gerald D. Hines Student Urban Design Competition and an expert on ULI Advisory Services Panels.

Her civic work includes a mayoral appointment to the City of Portland's Adjustment Committee, Community Involvement Committee for the Portland Plan, and a member of the Policy Expert Group for Residential Development and Compatibility for Portland's Comprehensive Plan. She is currently a board member of 1000 Friends of Oregon.



## Jonathan Ledesma

Partner

Jonathan is an accomplished development manager with experience in design, architecture, corporate retail, and real estate that allows him to engage, understand, and collaborate with many disciplines.

At project^, Jonathan is involved with the development of adaptive reuse and new construction projects, managing all aspects of the development from acquisition, project budget, design, construction, marketing, and lease-up. Jonathan works closely with the Managing Partner in sourcing new projects in the West Coast market. Jonathan leverages his corporate retail background and industry relationships to directly curate project^'s retail spaces with highly desired local and national retail tenants.

Project^'s retail spaces in Union Way and Blackbox, which are managed by Jonathan, have increased retail rents in Portland's West End neighborhood by over 60% in three years, and have introduced new national retailers to the Pacific Northwest. The selected mix of tenants in these projects has established the West End as one of the most desired retail locations on the West Coast.

### EDUCATION

Master in Architecture  
University of Oregon

Bachelor of Science  
University of Oregon

Jonathan began his career as an associate designer with the Portland-based award-winning firm Allied Works Architecture. While there, he worked on projects ranging from museums, exhibit design, workplace design to high-end residences. This included the winning proposal for the Clyfford Still Museum, a single artist building in Denver, Colorado; the competition finalist design for the Berkeley Art Museum; animation studios for Disney and Pixar and a private residence in the Portland Hills.

After leaving Allied Works Architecture, Jonathan worked for Nike Inc. as a Store Development Project Manager, working closely with Nike's internal real estate team, designing and planning stores across the country. Prior to joining project^, Jonathan served as an Associate with LEVER Architecture where he worked on the design of projects ranging from a master planned ski-resort community, animation studios, university museum galleries to furniture design. His roles included the management of consultants and the presentation of design work to high-level clients.

His community involvement includes being a guest architecture and interior architecture critic for the University of Oregon, Portland State University, and Marylhurst University.

# Portfolio

Our work brings a deep understanding of institutional-quality residential, retail, office, and academic spaces. Most importantly, our portfolio is a direct reflection of our standards - a focus on design, environmental systems, stewardship, and placemaking.

Name	Location	Date	Size	Units	Cost	Lender
BaseCamp	Bend OR	2015	65,159	25 homes	15.4M	Northwest Bank
Canopy	Portland OR	2015	29,807	5 offices	9.3M	US Bank
Hayashi	Portland OR	2015	16,535	8 homes	4.0M	Wells Fargo
TreeHouse	Portland OR	2015	47,337	69 units 1 store	12.8M	Umpqua Bank
K14	Eugene OR	2014	72,895	45 units (145 beds)	13.7M	California Bank & Trust
Union Way	Portland OR	2013	10,400	9 stores	4.6M	California Bank & Trust
ArtHouse	Portland OR	2013	48,000	50 units (130 beds) 2 stores	11.7M	Umpqua Bank
The Union	Corvallis OR	2013	79,000	68 units (221 beds)	16.2M	California Bank & Trust
The Emery	Portland OR	2012	90,000	118 units	21.2M	Bridge District Holdings, Wells Fargo
Mammoth View <i>(on hold)</i>	Mammoth Lakes CA	2011	110,132	52 homes 54 rooms	--	--
Blackbox	Portland OR	2011	10,000	6 stores 2 offices	1.8M	Umpqua Bank
Skybox	Eugene OR	2011	93,000	76 units (238 beds) 2 stores	17.0M	California Bank & Trust
Courtside	Eugene OR	2010	65,000	47 units (172 beds) 2 stores	11.0M	California Bank & Trust

## Previous Work Selects

Evo Condominiums	Los Angeles CA	2008	627,000	311 homes	197.0M	Corus Bank, Lehman
Gilbert Hall	Forest Grove OR	2008	60,700	37 units (157 beds)	16.9M	Pacific University, Oak Tree Foundation, City of Forest Grove
Luma Condominiums	Los Angeles CA	2007	472,000	236 homes	122.7M	NEBF, ULLICO, WCM
The Civic Condominiums	Portland OR	2007	427,000	261 homes	76.0M	HAP, JP Morgan, Cigna
The Morrison Apartments	Portland OR	2007	265,000	140 units	17.0M	Housing Authority of Portland
Elleven Condominiums	Los Angeles CA	2006	403,000	176 homes	77.2M	CJUF, NEBF, Washington Capital Management
Burlingham Hall	Forest Grove OR	2006	59,900	40 units (162 beds)	14.2M	Oak Tree Foundation
Health Professions Campus	Hillsboro OR	2006	104,000	--	30.0M	--
Broadway Housing	Portland OR	2004	210,000	383 units	27.0M	PSU Foundation

# BaseCamp

Bend / Oregon



Exterior view of an "A" and "B" home with a view to the shared amenity



Kitchen and livingroom in the "A" floorplan



Kitchen and den in the "C" floorplan



Master bathroom of the "A" and "C" floorplan

## USES

Townhomes (For-Sale)

## SIZE

65,159 SF / 25 homes

## COST

\$15.4M (budget)

## COMPLETE

2015 (under construction)

## PARTNERS

Northwest Bank

Basecamp is a 25-unit for-sale townhome community, located in the heart of Bend one block from the Deschutes River, and a short distance to downtown Bend and the Old Mill. The project draws its inspiration from the natural beauty and wonder of Central Oregon and the modern explorer lifestyle with the ultimate in walkable urban living. Basecamp combines comfortable modern design with sensitive native landscaping and a private community gathering area in the center of the site. Each of the homes ranging from 1,764 to 2,381 SF addresses the street with front stoops, which provide the convenience of rear-facing private garages for each home. Basecamp, a three-phased project, is targeting Earth Advantage Gold certification.

# Hayashi

Portland / Oregon



Livingroom facing the garden in the "Tree" floorplan



View of the "Forest" Floorplan - 3 bedroom / 3 bath room with Accessory Dwelling Unit (ADU) on groundfloor



Kitchen and stairs in the "Tree" floorplan



Den in the "Woods" floorplan



Master bedroom in the "Woods" floorplan

## USES

Townhomes (For-Sale)

## SIZE

16,535 SF / 8 homes

## COST

\$4.0M (budget)

## COMPLETE

2015 (under construction)

## PARTNERS

Wells Fargo

A meaningful relationship with the outdoors, superb craftsmanship and thoughtful consideration of a home's impact on the environment – these are the cornerstones of Hayashi's design. Eight modern townhomes in the Humboldt neighborhood of Portland, Hayashi seeks to surpass the status quo of for-sale housing. Hayashi's unique approach melds form and function into striking, light-filled open spaces with strong connections to private gardens and views. Hayashi has three distinct floorplans, ranging from 1,871 to 1,948 SF, with some including an Accessory Dwelling Unit (ADU) for added rental value. Hayashi is 3-stories and is certified Earth Advantage at the Platinum level.

# TreeHouse

Portland / Oregon



View from lobby to wooded landscape



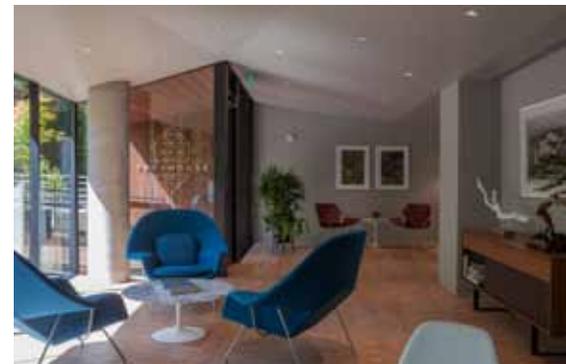
Groundfloor entrance and the Feathered Nest Taproom (under construction)



Roof deck



Entry to a one bedroom corner apartment



Lobby entrance

## USES

Apartments, Retail

## SIZE

47,3337 SF / 69 apartments

## COST

\$12.8M (budget)

## COMPLETE

2015

## PARTNERS

Umpqua Bank

TreeHouse is a 7-story multi-family apartment building on Marquam Hill adjacent to the consolidated 15,000 employee medical campus of Oregon Health & Science University, VA Medical Center, and Shriner's Hospital. The inspiration for the project draws from the area's rich heritage as a man-made environment of second growth trees envisioned as an acropolis on the hill above the City. TreeHouse is intended to live within the natural environment and is focused on the surrounding forest and connections to the existing trails and pedestrian networks. Its configuration provides an unbiased building orientation imbedded in the forest - where residents are a part of the heart and energy of the medical complex but find respite in nature. TreeHouse is targeting LEED certification.

# K14

Eugene / Oregon



Typical Kitchen and Entryway



Entrance into Lobby with Retail Below



Lobby Entrance



Corner One-Bedroom



Corner One-Bedroom, Living Room

## USES

Student Apartments, Ministry Space

## SIZE

72,895 SF / 45 apartments

## COST

\$13.7M

## COMPLETE

2014

## PARTNERS

Central Presbyterian Church,  
California Bank & Trust

There is nothing closer to the UO campus than K14, located directly west of campus in the bustling University District. The design focuses on bringing the outdoors in, from the stormwater planters in the front of the building to the indoor plantings in the lobby to a sheltered private garden courtyard at the rear. K14 has an interactive community room where students can study, gather, and relax. Other features include secure underground parking, bike storage rooms, and an onsite management office. The upper floors of the 6-story building consists of two, three and four-bedroom apartments where each student receives their own bedroom and bathroom. Project^ partnered with the Central Presbyterian Church, the original owners of the property and houses the Koinonia Center, a campus ministry, on the groundfloor of K14. K14 is targeting LEED Silver certification.

# Union Way

Portland / Oregon



Unique Covered Retail Experience



Public Thoroughfare connecting Powell's Bookstore to the Ace Hotel



Center of Union Way



Steven Alan



Steven Alan

## USES

Retail

**SIZE**  
10,400 SF / 9 stores

**COST**  
\$4.6M

**COMPLETE**  
2013

**PARTNERS**  
California Bank & Trust

Portland calls for a new kind of shopping experience. Its climate and culture lead us to an urban indoor/outdoor space for eating, drinking, and shopping. Union Way finds its origins in the streets and alleyways of Europe, Asia, and the Middle East, and serves as a counterpoint to the typical urban retail block or the suburban festival marketplace. The public promenade draws people through the building, which is bookended by Powell's Books, a major retail destination and The Ace Hotel, an iconic contemporary hotel. Union Way houses a collection of carefully curated shops and restaurants providing an authentic and unique shopping experience while adding energy and momentum to the West End neighborhood. Since the alley is a private walkway through the block, new types of ways to eat, drink and shop have emerged and end in an exciting symbiosis between merchants and their customers.

# ArtHouse

Portland / Oregon



Entry to ArtHouse



ArtHouse from the North Park Blocks



Rain Garden and Deck



Library and Study Room



Light-filled Apartments

## USES

Student Apartments, Retail

## SIZE

48,000 SF / 50 apartments

## COST

\$11.7M

## COMPLETE

2013

## PARTNERS

Powell Family, Umpqua Bank,  
Pacific Northwest College of Art

ArtHouse, a 6-story building, operates as art on different scales: from building as art, to spaces that showcase art, to places to make art. The ground floor of ArtHouse includes spaces for building management, Pacific Northwest College of Art (PNCA) Residence Life Office, and two retail stores including an art's themed cafe with regular arts exhibits, poetry readings, and community events. The close proximity of a new arts-centered apartment building near PNCA provides not only a walkable, sustainable urban campus, but also revitalizes a currently underutilized site, activates the entire spine of the North Park Blocks, brings new residents and 24-7 life to this area, and highlights the arts as a unifying value of the community. ArtHouse is LEED Silver certified.

# The Union

Corvallis / Oregon



Roof Garden and Courtyard



Entry Along Main Street



Apartment Living Room



Lobby, Game Room, and Leasing Office



Study Room with Views Toward Garden

## USES

Student Apartments

## SIZE

79,000 SF / 68 apartments

## COST

\$16.2M

## COMPLETE

2013

## PARTNERS

Samaritan Health Services,  
California Bank & Trust

The Union is an apartment complex that meets the growing need for student housing in Corvallis in a way that positively impacts the community and can, perhaps, serve as a model for future off-campus development. The project's 4-story contemporary building draws upon the traditional architecture of the College Hill neighborhood. An elevated garden roof on the second floor, landscaped ground floor courtyards, and a promenade that crosses the site provide public and private open space for residents. To highlight the history of the site, a commemorative artwork celebrates those who were born or worked at the Corvallis General Hospital formerly located on site. The Union was the first LEED certified multi-family building in the City of Corvallis and was certified LEED Silver.

# The Emery

Portland / Oregon



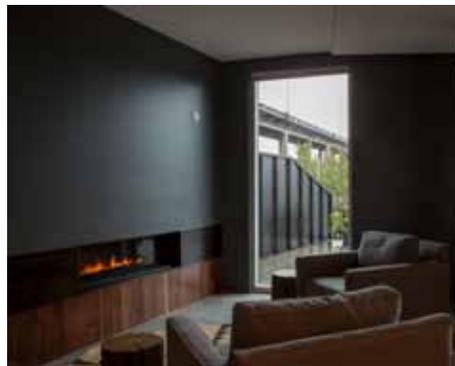
Roof Garden and Courtyard



Front Facade with Retail on Groundfloor



Lobby Entry



Fireplace and Communal Deck



Community Room

## USES

Apartments, Retail

## SIZE

90,000 SF / 118 apartments

## COST

\$19.9M

## COMPLETE

2013

## PARTNERS

Bridge District Holdings, Wells Fargo

The Emery, which lies at the intersection of research, academics, industry, and infrastructure, is strategically positioned between the Oregon Health and Science University and the new Collaborative Life Science Building. The 7-story building, which caters toward OHSU constituents, such as residents, researchers, and students includes studios, one-, and two-bedroom apartments, a lounge and elevated outdoor terrace, secure bicycle parking, and rental storage. As a complement to the resident amenities, there is a "retail porch" that houses six local merchants on the street level. These shops and restaurants cater to the specific needs and lifestyle of residents while fulfilling a retail void and forming a gateway to the Southwaterfront neighborhood. The Emery is LEED Silver certified.

# Blackbox

Portland / Oregon



Blackbird, Solestruck, and Tanner Goods



Streetscape and Facade



Isaac Hers



Dunderdon



project^ and Skylab Architects

## USES

Retail, Creative Office

## SIZE

9,000 SF / 6 stores / 2 offices

## COST

\$1.8M

## COMPLETE

2011

## PARTNERS

Umpqua Bank, Portland  
Development Commission

Blackbox is an adaptively reused, 2-story building located in the emerging and exciting West End retail district of Portland, Oregon. During its colorful history, the building has been used as a radio station, a recording studio, and a nightclub. The use of the building has been thoughtfully redesigned as retail spaces at the street level to showcase Portland's best up and coming clothing and accessory designers. The second level features creative office space for local businesses. The completed building creates a portal and gateway into the district as you arrive from the west side of Portland.

# Skybox

Eugene / Oregon



Groundfloor Retail and Lobby Entry



Living Room and Typical Bedroom



Lobby with Custom Artwork



Game Room



The Library

## USES

Student Apartments, Retail

## SIZE

93,000 SF / 76 apartments

## COST

\$17M

## COMPLETE

2011

## PARTNERS

California Bank & Trust

Skybox is a 6-story student housing project located in the emerging Arena District immediately east of the University of Oregon. Skybox builds on the rapidly growing student community catalyzed by its sister project, Courtside. Community amenities include a rooftop study and event area giving students a direct view of the new Matthew Knight Basketball Arena. The Wild Duck Cafe, a local sports themed restaurant and a game room at the street level gives students additional space to intersect and unwind. Skybox features an eco roof and roof garden that filters and retains storm water, limiting the amount of runoff from the building. Skybox was the second LEED certified multi-family building in the City of Eugene and is certified LEED Gold.

# Courtside

Eugene / Oregon



Groundfloor Retail and Lobby Entry



Living Room and Typical Bedroom



Green Roof



Lobby with Custom Artwork



The Club Lounge

## USES

Student Apartments, Retail

## SIZE

65,000 SF / 47 apartments

## COST

\$11M

## COMPLETE

2010

## PARTNERS

California Bank & Trust

The student housing market generally, lacks innovation and excitement. Courtside is a new and energetic counterpoint. The design focuses on bright, modern, and energy efficient apartments with European kitchens and the latest technology and conveniences. The unit mix is made up of three and four-bedroom apartments where each student receives their own bedroom and shares a bath with no more than one other student. Courtside has attractive common areas where students can study and socialize including a Club Lounge, Media Lounge, and Lobby with a custom mural. On the ground floor of Courtside is car parking, a bike storage room, a leasing office for Skybox and Courtside, and Little Big Burger –a popular burger joint. Courtside, a 5-story building, was the first LEED certified multi-family building in the City of Eugene and is certified LEED Gold.

# WINKLER DEVELOPMENT CORPORATION

CENTENNIAL BLOCK  
210 S.W. MORRISON STREET, SUITE 600  
PORTLAND, OREGON 97204-3150  
PHONE: (503) 225-0701  
FAX: (503) 273-8591

VIA EMAIL: [scott.macleam@colliers.com](mailto:scott.macleam@colliers.com)

November 18, 2016

Scott MacLean  
Colliers, Senior Vice President  
851 SW 6th Avenue, Suite 1200  
Portland, OR 97204

RE: Letter of Intent to Purchase Terminal 1  
2400 NW Front Avenue, Portland, Oregon

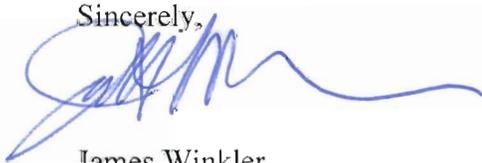
Dear Scott:

Attached please find a Letter of Intent from Winkler Development Corporation outlining the terms upon which we are prepared to purchase the Terminal 1 property.

As you know, our initial intention was to acquire the Terminal 1 property to develop industrial uses on the site. However, upon further reflection, we felt Portland was in the throes of an affordable housing crisis of unprecedented severity and that the property represented an opportunity to develop thoughtful, innovative, affordable workforce housing to serve low income individuals, families, disabled and seniors at a scale necessary to address this pressing societal problem. It is clear the consensus needed for a suitable conditional rezoning to permit affordable housing on the site will not be obtained in the near term. Accordingly, we are making this offer for the purposes of developing industrial, river related and river dependent uses on the site and are in conversations with a river dependent user.

We look forward to completing the transaction and redeveloping Terminal 1 as an industrial family wage job center.

Sincerely,



James Winkler  
President

JHW/116-027  
Attachment

# WINKLER DEVELOPMENT CORPORATION

CENTENNIAL BLOCK  
210 S.W. MORRISON STREET, SUITE 600  
PORTLAND, OREGON 97204-3150  
PHONE: (503) 225-0701  
FAX: (503) 273-8591

## VIA EMAIL

November 18, 2016

Scott MacLean  
Colliers, Senior Vice President  
851 SW 6th Avenue, Suite 1200  
Portland, OR 97204

RE: Letter of Intent to Purchase the Terminal 1  
2400 NW Front Avenue, Portland, Oregon

Scott:

This Letter of Intent summarizes the basic terms and conditions upon which Buyer is prepared to acquire Terminal 1:

**1. BUYER:**

Buyer shall consist of Winkler Development Corporation and/or assigns.

**2. PROPERTY:**

The purchase shall include fee simple interest in:

All land and all attached improvements commonly known as Terminal 1 2400 NW Front Avenue, Portland, Oregon (the "Property"), consisting of approximately 14 acres. A definitive legal description will be included in the Purchase and Sale Agreement.

**3. PURCHASE PRICE:**

The Purchase Price shall be Ten Million Three Hundred Fifty Thousand Dollars (\$10,350,000). The Purchase Price shall be payable as follows:

- a. **Deposit:** Upon execution of a binding Purchase and Sale Agreement, Buyer shall deposit a \$250,000 Earnest Money Note into escrow (the "Deposit"). Upon expiration of the Buyer's Physical Inspection Contingency, Buyer shall deposit into escrow, cash in the amount of the Earnest Money Note. Upon expiration of Buyer's Physical Inspection Contingency, the Deposit will become non-refundable (subject only to a Seller default), the Deposit and any interest earned on the Deposit while in escrow will be credited to the Purchase Price upon the close of escrow.

- b. **Balance of the Purchase Price:** The balance of the Purchase Price shall be deposited into escrow at the close of escrow.

4. **TERMS:**

Cash to Seller at Closing. Seller shall receive the full Purchase Price at closing.

5. **CLOSING:**

The close of escrow shall occur no later than Thirty (30) days after of the expiration of the Buyer's Contingency Period.

6. **CONTINGENCY PERIOD:**

The Purchase and Sale Agreement shall provide that Buyer shall have One Hundred Twenty (120) days to approve or disapprove of the condition of the Property ("Buyer's Inspection Contingency"), including the following:

- a. **Title:** Buyer shall have the right to review and approve an Owner's Preliminary Title Report and all exceptions to the Preliminary Title Report, issued by Chicago Title, including Covenants, Conditions and Restrictions which may apply to the Property. Seller will have Preliminary Title Report delivered to Buyer within Five (5) days of mutual execution of the Purchase and Sale Agreement.
- b. **Physical Inspection:** After execution of the Purchase and Sale Agreement, Buyer shall have the right to inspect the pier and assess the safety concerns related thereto, conduct such soils tests, roof inspections, mechanical and electrical inspections and/or review of related reports, engineering studies and such feasibility and other studies and/or inspections regarding the condition of the Property as it considers prudent, at a mutually convenient time upon reasonable notice to Seller. In order to facilitate Buyer's due diligence, Seller shall make available to Buyer any information, studies or plans or specifications in its possession.
- c. **Environmental Audit:** Buyer and/or Buyer's environmental consultants shall review the environmental file on the project including the No Further Action letter and meet with the State of Oregon Department of Environmental Quality to determine if any additional environmental cleanup measures need to make the subject property suitable for Buyer's intended use. Buyer shall have the right to conduct an environmental audit and such other environmental studies and investigations regarding the environmental condition of the Property that Buyer considers prudent. No so-called Phase II environmental testing shall be conducted without prior Notice to Seller. If Buyer's preliminary (Phase I) environmental report indicates a need to perform a Level II study, the contingency period will be extended automatically for an additional Thirty (30) working days. The extension shall be limited solely to environmental matters. Seller shall provide Buyer with all environmental report(s) in its possession for review at or before the execution of the Purchase and Sale Agreement.

- d. **Documents:** Buyer shall have the right to review and approve all contracts (including leases), operating reports, building plans and specifications, inventory of personal property, studies and reports in Seller's possession that bind the Property or may affect the use of the Property after the close of escrow. Buyer shall have the right to ascertain whether the Combined Sewer Overflow easement impedes Buyer's intended use of the Property.
- e. **Financing:** Buyer shall have the right to procure a loan commitment from a Lender of Buyer's choice to finance Buyer's anticipated project under terms satisfactory to Buyer in its sole determination.

**7. TITLE AND TITLE INSURANCE:**

Seller shall deliver a Statutory Warranty Deed at the close of escrow. Seller shall also deliver to Buyer an ALTA Owner's Policy of Title Insurance issued by Chicago Title insuring Buyer in the amount of the Purchase Price, that marketable title to the Property is vested in Buyer and is subject only to matters disclosed by the Preliminary Title Report and not disapproved by Buyer during the Contingency Period. Buyer is responsible for any additional costs associated with obtaining an ALTA Extended Owner's Policy if desired. Seller shall provide Buyer any currently existing surveys relating to the property and cooperate as needed to assist Buyer in obtaining an ALTA Extended Policy, if requested by Buyer.

**8. PRORATIONS AND COSTS:**

At the close of escrow, Seller shall pay the cost of the ALTA Owner's Policy of Title Insurance, all documentary transfer taxes, recording fees and 50% of escrow fees. Buyer shall pay 50% of escrow fees. Buyer shall be responsible for all costs to provide any updated ALTA surveys, ALTA Extended Title Policy premium and any endorsements. Each party shall pay its own fees and expenses of its attorneys and other consultants. All other costs and expenses will be allocated between Buyer and Seller in a manner customary in Multnomah County, State of Oregon.

**9. REPRESENTATION AND WARRANTIES:**

Seller hereby represents and warrants to and covenants with Buyer that:

- a. Seller owns the property free and clear of any and all liens, claims, encumbrance and adverse interest other than as will be shown on the Preliminary Title Report and has full power and authority to convey Property in accordance with its terms.
- b. Seller has complied with all applicable laws, rules, regulations, ordinance and neither Seller nor Property is in violation of any applicable Federal, State or local statutes, ordinance, orders, requirements, laws or regulations (including without limitation building, subdivision, zoning and environmental laws) affecting the Property.
- c. No notices of violations of any applicable statute, law, ordinance, rule, regulation, order or requirement of or any covenant, condition, restriction or easement on the Property have been given and Seller knows of no such violation.
- d. Seller does not have knowledge of: (1) any intended public improvement, which may result in the creation of any lien upon Property; or (2) any intended or proposed Federal, State or local statutes, ordinance, orders, requirements, laws or regulations (including but not limited to, zoning changes or moratoria or eminent domain) which

may adversely affect the use or development of the property; or (3) any suit, action, claim or legal or administrative, arbitration or other pending or to the best knowledge of Seller, threatened or contemplated against or affecting the Property.

**10. DOCUMENTATION:**

Upon execution of this Letter of Intent, Seller shall prepare a draft Purchase and Sale Agreement for Buyer's review and comment, which embodies the general terms and conditions of this Letter of Intent. Buyer and Seller intend to work toward completion of a fully executed, binding Purchase and Sale Agreement within Ten (10) days following execution of this Letter of Intent.

**11. BROKERS:**

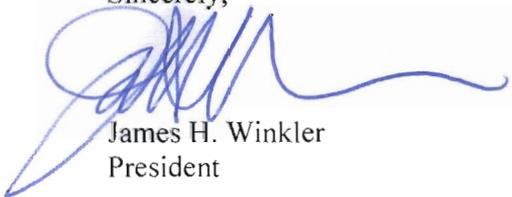
The only broker involved in the purchase and sale of the Property is Scott MacLean of Colliers representing Seller ("Broker"). Seller shall be responsible for the payment of a commission to the above-referenced Broker. Buyer and Seller represent, each to the other, that other than as specified above, no other brokers are entitled to a commission with respect to this contemplated transaction. If Buyer is working with a broker, Buyer shall pay said broker any commission owed to that broker.

**12. APPROVAL CONTINGENCIES:**

This proposal is non-binding and is specifically conditioned upon the approval and execution of a mutually agreeable Purchase and Sale Agreement between Buyer and Seller.

If the general terms and conditions outlined in this Letter of Intent are acceptable to you, please execute and return to us no later than 5:00 P.M., Pacific Standard Time, December 16, 2016, or this proposal will be deemed automatically expired.

Sincerely,



James H. Winkler  
President

AGREED TO:

SELLER

\_\_\_\_\_

BUYER

Winkler Development Corporation and/or assign(s)

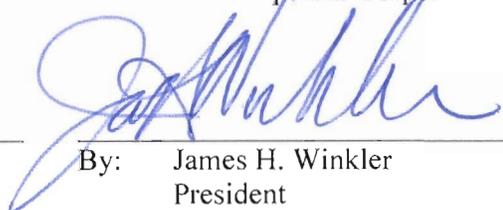
By: Name

Date

By:

James H. Winkler  
President

Date



11/18/16