

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 08-138

Authorizing the Execution of a Contract Between Multnomah County, Seller, and Slabtown Properties LLC, Purchaser of a Tax Foreclosed Property Sold at Public Auction and Deed to Purchaser at Contract Completion

The Multnomah County Board of Commissioners Finds:

- a. On August 6, 2008 Multnomah County conducted a public auction and sale of tax-foreclosed real property, including the property described below (the Property).
- b. The public sale was conducted consistent with the requirements of ORS 275.110 to 275.250 and MCC Chapter 7.
- c. Slabtown Properties LLC was the highest bidder with a bid of \$160,500 for the Property.
- d. The Sheriff delivered to the purchaser a Certificate of Sale as required under ORS 275.150 containing the legal description of the Property, the whole purchase price, the amount paid in cash, and the dates upon which future payments will become due.

The Multnomah County Board of Commissioners Resolves:

1. The Chair on behalf of Multnomah County is authorized to execute a purchase agreement with Slabtown Properties LLC, the Purchaser, for the sale of the Property substantially in compliance with the "Contract of Sale" agreement, as set forth in the attached Exhibit A.
2. Simultaneously with the execution of the Contract of Sale, the County and Purchaser shall execute a "Memorandum of Contract of Sale" substantially in compliance with the draft of said Memorandum as set forth in the attached Exhibit A; which shall be recorded in the County's Deed Records.
3. Upon Purchaser's performance of all the obligations of the Contract of Sale and upon Tax Title's receipt of the full balance due, the Chair on behalf of Multnomah County, is authorized to execute a bargain and sale deed conveying to Slabtown Properties LLC, the following described real property:

LOT 9 BLOCK 1

IREAN VILLAGE & PLAT 2-3

ADOPTED this 16th day of October, 2008.

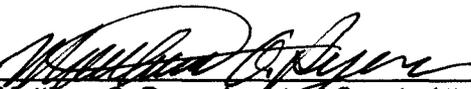


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY:

M. Cecilia Johnson, Director, Dept. of Community Services

CONTRACT OF SALE

Opening Clause:

DATED: _____, 2008.

BETWEEN: MULTNOMAH COUNTY, ("Seller")
(A Political Subdivision of the State of Oregon)
501 SE Hawthorne, Portland, Oregon 97214

AND: Slabtown Properties LLC ("Purchaser")
PO Box 14157
Portland OR 97293

Seller owns real property located in Multnomah County, Oregon, and more particularly described as:

LOT 9 BLOCK 1 IREAN VILLAGE & PLAT 2-3

(Hereinafter the "Property"). Seller agrees to sell the Property to Purchaser and Purchaser agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

Tax Statement: Until a change is requested, all tax statements shall be sent to:

Slabtown Properties LLC
PO Box 14157
Portland OR 97293

Section 1. Purchase Price and Payment

1.1 Total Purchase Price. Purchaser promises to pay Seller as the total purchase price for the Property the sum of \$160,500 (US).

1.2 Payment of Total Purchase Price. The total purchase price will be paid as follows:

1.2.1 Down Payment. On or before the Closing Date, as defined in Section 3.1, Purchaser will pay the sum of \$32,100 in immediately available funds as a down payment of 20% on the purchase price, which sum will include any amount previously paid to Seller; to be applied to the purchase price at closing.

1.2.2 Interest Rate and Scheduled Payment Dates. Interest on the remaining balance of \$128,400 will accrue at the rate of 7% per annum from the Closing Date.

The unpaid balance of the purchase price will be paid in monthly installments of principal and all accrued but unpaid interest with the first installment due on _____, 2008, and with subsequent installments due on the 15th day of each month thereafter. If the Closing Date falls on a date other than the first day of a monthly installment period, at closing, Purchaser will pay an amount equal to the interest that will accrue from _____ (*Insert Closing Date*) through the end of the first partial month in which closing occurs. Each payment will be applied first to interest to due date, then to amounts past due to Seller under this contract other than principal or interest, and the balance to principal.

1.2.3 Maturity Date. All unpaid principal and all accrued but unpaid interest must be paid in full on _____, 2023 the 15th anniversary of the Closing Date.

1.3 Prepayments. Purchaser may on any installment due date prepay without penalty all or any portion of the unpaid principal. All prepayments will be applied first to accrued but unpaid interest to date, then to amounts due Seller under this Contract other than principal or interest, then to the last installment of principal scheduled under this Contract, and will not excuse Purchaser from making the regular monthly payments when due under this Contract until the remaining balance has been paid in full. This paragraph applies to any payments due under this Contract that are accelerated because of Purchaser's default under any of the provisions of this Contract.

1.4 Payments to Third Parties. If Purchaser fails to pay when due any amounts required under this Contract to be paid to third parties by Purchaser, Seller may, but will not be obligated to, pay any or all such amounts directly to such third parties or otherwise to cure any such failure. If Seller makes any such payments, the amounts so paid will be immediately due and payable by Purchaser to Seller. Until paid, such amounts will be secured by this Contract and will be added to the principal balance due under this Contract and will bear interest at the Contract rate. Seller's election to make any payments pursuant to this Section 1.4 will not constitute a waiver of Seller's right to declare Purchaser to be in default of this Contract and to exercise any remedies described in Section 9.2. In the event of any such payment by Seller, Seller will also be subrogated to the rights of the third party to whom the payment is made.

WARNING

Unless Purchaser provides Seller with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

1.5 Place of Payments. All payments to Seller must be made to the address shown above or to another place or person that Seller may designate by written notice to Purchaser.

Section 2. Taxes and Liens

2.1 Obligation to Pay. Purchaser must pay when payable all taxes and assessments that are levied against the Property after the Closing Date but Purchaser may elect to pay taxes and assessments in accordance with any available installment method.

2.2 Tax Statements. Purchaser will provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid when due. Purchaser will submit this evidence on the request of Seller, which request must be made no more frequently after each required payment of taxes and assessments.

Section 3. Closing

3.1 Closing Date. This transaction must be closed on _____, 2008. As used in this Contract, the *Closing Date* means the date on which this Contract or a memorandum of this Contract is recorded. The closing will occur at the offices of Multnomah County.

3.2 Responsibility of Parties. At closing, Purchaser must pay the amount of cash specified in Section 1.2.1 above, and Seller must have received a commitment for the issuance of a purchaser's policy of title insurance as described in Section 6.

3.3 Prorates and Closing Costs. Except as otherwise provided in this Contract, all items to be prorated will be prorated as of _____, 2008.

Section 4. Possession

4.1 Possession. Purchaser will be entitled to possession of the Property from and after _____, 2008; however, Seller and Seller's agents may enter on the Property at reasonable times on reasonable prior notice to Purchaser for the purpose of inspecting the Property.

Section 5. Maintenance and Alterations

5.1 Maintenance. Purchaser will keep all buildings, other improvements, and landscape now existing or that will be placed on the Property in good condition and repair, and will not permit any waste or removal of the improvements, nor make any substantial improvements or alterations without the prior written consent of Seller.

5.1.1 Improvements. If Purchaser desires to alter or further improve all or any portion of the Property, Purchaser must first submit complete final plans, specifications, site plans, drawings, schedules, and cost estimates for the proposed alteration or improvement and obtain Seller's written consent before proceeding to do or permit any work or to order any services or materials with respect to that work. As a condition of granting its consent, among other conditions, Seller may require Purchaser to provide a construction and completion bond or other security in an amount and of a nature satisfactory to Seller to cover the proposed costs of construction of the proposed alterations or improvements. All alterations and improvements constructed by or for Purchaser must be completed by reputable Oregon licensed contractors without defects in conformance, lien-free, with plans, specifications, and drawings approved beforehand in writing by Seller as provided above, and in conformance with standards in the industry. No approval by Seller will be deemed a representation or warranty of Seller that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Purchaser from strict compliance with all other provisions of this Contract and all applicable law.

5.1.2 Prohibited Activities. Purchaser will not use or suffer the use of all or any of the Property for any "nuisance" as defined in ORS 105.555, or so as to constitute an *illegal drug manufacturing site* as that term is defined in ORS 453.858(2), as those statutes may now or hereafter be amended, supplemented, or superseded, or otherwise do or allow any act or omission on or about the Property that could subject the Property or Seller's or Purchaser's interest in the Property to forfeiture or the risk of forfeiture.

5.1.3 Governmental Damage. If any damage or destruction of the Property or any portion of it is caused by any governmental or quasi-governmental authority, and to the extent that the same is not a compensable taking under the state or federal constitution, or directly caused by the act or omission of Seller, Purchaser will promptly repair and restore the same at its expense.

5.1.4 Timber and Minerals. Purchaser will not cut or remove any timber or forest products from the Property. Purchaser will not extract, process, mine, or otherwise exploit any oil, gas, mineral, or other valuable deposit on or under the Property.

5.1.5 Hazardous Substances. Purchaser will comply fully with all laws pertaining to the protection of human health and the environment, including but not limited to employee and

community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of Hazardous Substances. Purchaser will promptly advise Seller in writing of any Hazardous Substances regulated by such laws that are used, generated, manufactured, stored, transported, or otherwise handled on the Property. Purchaser will exercise extreme care in handling any Hazardous Substances and will not cause or permit Hazardous Substances to be spilled, leaked, disposed of, or otherwise released on the Property. The term *Hazardous Substance* means any hazardous, toxic, radioactive, or infectious substance, material, or waste as defined, listed, or regulated under any law pertaining to the protection of human health or the environment, and includes without limitation petroleum oil and its fractions.

Section 6. Insurance

6.1 Property Damage Insurance. Purchaser will procure and maintain policies of all-risk insurance with standard extended coverage endorsements on a replacement-cost basis covering all improvements on the Property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Seller (under a standard mortgagee's clause) and Purchaser as their respective interests may appear. The policies must be primary with respect to all covered risks, and must be written in such form with such terms and by such insurance companies reasonably acceptable to Seller. Purchaser will deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 15 days' written notice to Seller. In the event of loss, Purchaser will give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within 15 days of the casualty.

6.2 Liability Insurance. During the term of this Contract, Purchaser will maintain commercial general liability insurance with an aggregate limit of not less than \$2,000,000; limit of not less than \$1,000,000 per occurrence. Such insurance must be written on an occurrence basis and must be primary with respect to all other insurance covering any of the insured risks; must cover all risks arising directly or indirectly out of Purchaser's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence; must include a contractual liability clause to protect Purchaser against the claims of Seller on account of the obligations assumed by Purchaser under Section 7; and must protect Seller and Purchaser against claims of third persons. Such policies must be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller. Purchaser will deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 15 days' written notice to Seller.

6.3 Purchaser's Report on Insurance. Within 60 days after the close of each calendar year Purchaser will furnish to Seller a report on each existing policy of insurance required under this Contract showing:

- (1) The name of the insurer;
- (2) The risks insured;
- (3) The amount of the policy;
- (4) The property insured, the then-current replacement cost of the property, and the manner of determining that cost; and
- (5) The expiration date of the policy.

Upon Seller's request, Purchaser will have an independent appraiser satisfactory to Seller determine the replacement cost of the Property.

6.4 Application of Proceeds. All proceeds of any insurance on the Property must be paid to and held by Seller. Purchaser will repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. On satisfactory proof of lien-free restoration of the Property to at least its condition and value immediately before the damage or destruction,

Seller will pay or reimburse Purchaser from the proceeds (net of Seller's reasonable cost of recovering and administering such proceeds and monitoring Purchaser's restoration activities) for the reasonable cost of repair or restoration to the extent of such proceeds received by Seller. If Purchaser elects not to restore the Property, and the net proceeds are sufficient to pay all amounts owed Seller under this Contract; at the election of Seller; Seller will retain a sufficient amount of the proceeds to pay all amounts owed Seller under this Contract, and will pay the balance to Purchaser. Any proceeds that have not been paid out within thirty (30) days after their receipt and that Purchaser has not committed to the repair or restoration of the Property must be used to pay first accrued interest and then principal of Purchaser's indebtedness.

Section 7. Purchaser's Indemnification of Seller. Purchaser will forever indemnify, reimburse, and hold Seller, its employees, officers; agents and contractors (the Indemnities) harmless and, at Seller's election, defend the Indemnities for, from, and against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with (1) Purchaser's possession or use of the Property, (2) Purchaser's conduct with respect to the Property, (3) any condition of the Property to the extent that the same arises from or after the Closing Date and is not caused or contributed to by Seller, or (4) Purchaser's breach of any warranty or representation made by Purchaser in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Purchaser agrees to defend Seller, Purchaser will, on notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller through legal counsel reasonably satisfactory to Seller. These obligations with respect to the acts or omissions of the Purchaser will run to any invitee, partner, agent, employee, director, officer, contractor, tenant, permittee of Purchaser and will survive any termination or satisfaction of this contract.

Section 8. Deed

On payment of the total purchase price for the Property as provided in this Contract and Purchaser's performance of all other terms, conditions, and provisions of this Contract, Seller will forthwith deliver to Purchaser a bargain and sale deed conveying the Property.

Section 9. Default

9.1 Events of Default. Time is of the essence of this Contract. A default will occur under any of the following circumstances:

(1) Purchaser's failure to make any payment when due. No notice of default and no opportunity to cure will be required if during any 12-consecutive-month period Seller has already sent two notices to Purchaser concerning nonpayment or late payment under this Contract.

(2) Purchaser's failure to perform any other obligations contained in this Contract within 15 days after notice from Seller specifying the nature of the default or, if the default cannot be cured within 15 days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure will be required if, during any 12-consecutive-month period, Seller has already sent two notices to Purchaser concerning default in the performance of the same Contract provision.

(3) Purchaser's dissolution, termination of existence, insolvency on a balance-sheet basis, or business failure; Purchaser's commencement of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Purchaser in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Purchaser to the appointment of a receiver,

trustee, or custodian of Purchaser or of any of Purchaser's property; Purchaser's assignment for the benefit of creditors or Purchaser's failure generally to pay its debts as they become due. If (one of the parties collectively referred to as Purchaser / a party standing in the place of Purchaser) suffers an event of default under this subsection, that event of default will be considered the default of Purchaser.

(4) Purchaser's making or suffering a fraudulent transfer or conveyance under applicable federal or state law; Purchaser's concealment of any of its property from creditors; Purchaser's making or suffering a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint on any of the property of Purchaser. If one of the parties collectively referred to as Purchaser suffers an event of default under this subsection, that event of default will be considered the default of Purchaser.

9.2 Remedies of Default. In the event of a default, Seller may take any one or more of the following steps:

(1) Seller may elect to cancel this land sale contract as provided under ORS 275.220.
(2) Seller may declare the entire balance of the purchase and interest immediately due and payable.

(3) Seller may foreclose this Contract by suit in equity.
(4) Seller may specifically enforce the terms of this Contract by suit in equity.
(5) With respect to any part of the Property that constitutes personal property in which Seller has a security interest, Seller may exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code.

(6) If Purchaser fails to make any payment within 15 days after it is due, Seller may elect to impose a late charge not to exceed five cents per dollar of the installment, in addition to and not in lieu of any and all other rights and remedies available to Seller. Seller's demand or acceptance of such a late charge will not cure or waive Purchaser's default.

(7) Seller will be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due under this Contract, and any receiver appointed may serve without bond. Employment by Seller will not disqualify a person from serving as a receiver. On taking possession of all or any part of the Property, the receiver may:

(a) Use, operate, manage, control, and conduct business on the Property and make necessary expenditures for all maintenance and improvements that in its judgments are proper;
(b) Collect all rents, revenues, income, issues, and profits (the "Income") from the Property and apply those sums to the necessary expenses of use, operation, and management;
(c) At Seller's option, complete any construction in progress on the Property and, in that connection, pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as Seller deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, such sums as the receiver deems necessary for the purposes stated in this paragraph, and repayment of those sums will be secured by this Contract. Amounts borrowed from or advanced by Seller will bear interest at the same rate as the balance of the purchase price under this Contract from the date of expenditure until repaid and must be paid by Purchaser on demand.

(8) Purchaser hereby assigns to Seller all the Income from the Property, whether now or hereafter due. Before default, Purchaser may operate and manage the Property and collect the Income from the Property. In the event of default and at any time thereafter, Seller may revoke Purchaser's right to collect the Income from the Property and may, either itself or through a receiver, collect the same. To facilitate collection, Seller may notify any tenant or other user to make payments of rents or use fees directly to Seller. If the Income is collected by Seller, then Purchaser irrevocably designates Seller as Purchaser's attorney-in-fact with full power of

substitution and coupled with an interest to endorse instruments received in payment thereof in the name of Purchaser and to negotiate the same and collect the proceeds. Payments by tenants or other users to Seller in response to Seller's demand will satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller will apply the Income first to the Seller's expenses of renting or collection and the balance (if any) to the payment of sums due from Purchaser to Seller under this Contract.

9.3 Remedies Not Exclusive. The remedies provided above are nonexclusive and in addition to any other remedies provided by law.

Section 10. Annual Reports

Within 60 days after the close of each calendar year, if applicable Purchaser will furnish to Seller a statement of net operating income received from the Property during the previous calendar year prepared in accordance with generally accepted accounting principles consistently applied in such detail as Seller requires, "*Net operating income*" means all cash receipts from the Property minus all reasonable and customary expenditures made in connection with the operation of the Property.

Section 11. Waiver

The failure of either party at any time to require performance of any provision of this Contract will not limit the party's right to enforce the provision except to the extent expressly set forth in a writing signed by that party; nor will any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

Section 12. Assignment and Successor Interests

12.1 This Contract is binding on and inures to the benefit of the parties, their successors, and assigns but no interest of Purchaser may be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller; which consent is conditioned (in Seller's sole discretion) on Seller's approval of the financial wherewithal of any potential assignee; as shown by any relevant information regarding such assignee; including but not limited to the assignee's annual income, liabilities, credit history, etc. Seller's consent to one transfer will not constitute consent to other transfers or waiver of this section. As a condition of such consent, Seller may elect to increase the interest rate under this Contract by not more than 9 % per annum from the date of the transfer. Any increase in the interest rate under this Contract will entitle the Seller to increase monthly payments to the amount necessary to retire the obligation within the stipulated time provided for in this Contract. Any attempted assignment in violation of this provision will be void and of no effect with respect to Seller.

12.2 Purchaser and any other person at any time obligated for the performance of the terms of this Contract hereby waive notice of and consent to any and all extensions and modifications of this Contract or the release of any person or persons from liability under the Contract granted by Seller. Any such extensions or modifications or releases will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract or any guarantor of such person's obligations.

Section 13. Prior Agreements

This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all prior or existing written and oral agreements (including any earnest money agreement) between the parties or their representatives relating to the Property.

Section 14. Notice

Any notice under this Contract must be in writing and will be effective when actually delivered in person or five days after being deposited in the U.S. mail, registered or certified, return receipt requested, postage prepaid and addressed to the party at the address provided in this Section; or such other address as either party may designate by written notice to the other.

14.1 Notice for the Seller shall be sent to:

Gary Thomas
Multnomah County Tax Title Division
501 SE Hawthorne Blvd, Rm. 175
Portland, Oregon 97214

14.2 Notice for the Purchaser shall be sent to: Slabtown Properties LLC

PO Box 14157
Portland OR 97293

Section 15. Applicable Law

This Contract shall be governed by, and construed in accordance with, the laws of the state of Oregon; any cause of action or suit relating to this Contract shall be brought in State Circuit Court for Multnomah County, Oregon.

Section 16. Costs and Attorney Fees

16.1 No Suit or Action Filed. If either party to this Contract seeks legal counsel because of a default in the payment or performance of any of its terms, the defaulting party must pay, immediately on demand, the other party's reasonable attorney fees, collection costs, costs of either a litigation or a foreclosure report (whichever is appropriate), even though no suit or action is filed thereon, and any other fees or expenses incurred by the non-defaulting party.

16.2 Arbitration or Mediation; Trial and Appeal. If any arbitration, mediation, or other proceeding is brought in lieu of litigation, or if suit or action is instituted to enforce or interpret any of the terms of this Contract, or if suit or action is instituted in a bankruptcy court for a United States District Court to enforce or interpret any of the terms of this Contract, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert Seller's interest in a bankruptcy proceeding, the party not prevailing must pay the prevailing party's costs and disbursements, the fees and expenses of expert witnesses in determining reasonable attorney fees under ORCP 68, the actual cost of a litigation or foreclosure report, and any sums that the court may determine to be reasonable for the prevailing party's attorney fees connected with the trial and any appeal and by petition for review thereof; in addition, the Court must award the prevailing party reasonable attorney fees for collecting any resulting judgment.

16.3 Definitions. For purposes of this Contract, the term *attorney fees* includes all charges of the prevailing party's lawyers and their staff (including without limitation legal assistants, paralegals, word processing, and other support personnel) and any post-petition fees in a bankruptcy court. For purposes of this Contract, the term *fees and expenses* includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail, or parcel delivery; mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees, and all costs of transcription; costs incurred in searching records; and the cost of title reports or surveyor's reports.

Section 17. Number, Gender, and Captions

As used in this Contract, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine, and neuter, as the context requires. All captions used in this Contract are intended solely for convenience of reference and in no way limit any of the provisions of this Contract.

Section 18. Survival of Covenants

Any covenants the full performance of which is not required before the closing or final payment of the purchase price and delivery of the deed will survive the closing and the final payment of the purchase price and the delivery of the deed and be fully enforceable thereafter in accordance with their terms.

Section 19. Condition of Property

Purchaser accepts the land, buildings, improvements, any personal property sold under this Contract, and all other aspects of the Property in their present condition, AS IS, WHERE IS, including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except for such warranties that may arise by law under the Deed and except as otherwise specifically set forth in this Contract. Purchaser agrees that Purchaser has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property, its suitability for Purchaser's purposes, and the applicable zoning, building, housing, and other regulatory ordinances and laws affecting the Property. Purchaser accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property.

Section 20. Memorandum of Contract

On the Closing Date, the parties will cause a memorandum of this contract to be recorded in the Deed Records of Multnomah County, Oregon, in form and content substantially as set forth in the attached form but, if the parties have not completed such a memorandum in recordable form and delivered the same date to the escrow agent by the Closing Date, this Contract must be recorded in its entirety

Section 21. Statutory Disclaimer

The following disclaimer is made pursuant to ORS 93.040(2):
THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Recorded at the request of:

Tax Title

503/4

After recording return to:

Tax Title

503/4

Until a change is requested,
all tax statements must be sent
to the following address:

Slabtown Properties LLC

PO Box 14157

Portland OR 97293

MEMORANDUM OF CONTRACT OF SALE

DATED: _____, 2008.

BETWEEN: MULTNOMAH COUNTY, ("Seller")
(A Political Subdivision of the State of Oregon)
501 SE Hawthorne, Portland, Oregon 97214

AND: Slabtown Properties LLC ("Purchaser")
PO Box 14157
Portland OR 97293

Pursuant to a Contract of Sale dated _____, 2008; Seller sold to Purchaser Seller's interest in that certain property in Multnomah County, Oregon, more particularly described as:

LOT 9 BLOCK 1 IREAN VILLAGE & PLAT 2-3

If not earlier paid, all amounts owed under the Contract of Sale will be due and payable on _____, 2023. The true and actual consideration for this conveyance is \$160,500 (US)

The following disclaimer is made pursuant to ORS 93.040(2):

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Property Tax Account No. R187141

IN WITNESS WHEREOF, the parties have caused this memorandum to be executed as of the day and year first above written.

For Seller:

For Purchaser:

Ted Wheeler
Ted Wheeler, Chair of the Multnomah
County Board of Commissioners

Print Name: _____

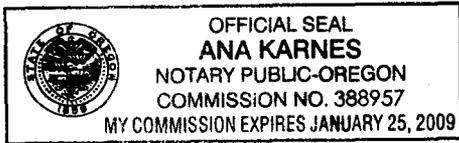
Print Name: _____

STATE OF OREGON)

) ss:

County of Multnomah)

This instrument was acknowledged before me on Oct. 16, 2008, by TED WHEELER.



/s/ Ana Karnes

Title: NOTARY PUBLIC-OREGON

My commission expires: JAN. 25, 2009

STATE OF OREGON)

) ss:

County of Multnomah)

This instrument was acknowledged before me on _____, 2008, by _____ as
_____ of Slabtown Properties LLC.

/s/ _____

Title: _____

My commission expires: _____

STATE OF OREGON)

) ss:

County of Multnomah)

This instrument was acknowledged before me on _____, 2008, by _____ as
_____ of Slabtown Properties LLC.

/s/ _____

Title: _____

My commission expires: _____