

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

TO: First American Title Insurance Co.

Escrow No. NC S-313-073-OR1
(the "Escrow Holder")

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of September 12, 2007, by and between ROCKWOOD-STARK CENTER, INC. and ROCKWOOD BOWLING CENTER, INC., each an Oregon corporation (the "Seller"), and MULTNOMAH COUNTY, a political subdivision of the State of Oregon (the "Buyer").

Recital

A. The Seller is the owner of the real property and improvements on it, consisting of approximately 3.66 acre site consisting of four structures on five tax lots (R153562, R153563, R153560, R153564, R1153566), located at 18430-18510 SE Stark and adjacent, Gresham, Oregon 97233, known as the Rockwood-Stark Center and hereinafter referred to as the "Property," located in the City of Gresham, County of Multnomah, State of Oregon, and more particularly described in Exhibit A attached.

B. The Buyer desires to purchase from the Seller, and the Seller desires to sell to the Buyer the Property on the terms and conditions set forth below.

Agreement

1. Purchase and Sale. The Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, the Property upon the terms and conditions set forth in this Agreement.

2. Purchase Price. The purchase price for the Property shall be \$3,500,000.

3. Payment of Purchase Price. The purchase price shall be payable as follows:

(a) **Deposit.** The Buyer will deposit into escrow within three (3) business days of the date this agreement is effective, a promissory note for \$128,000 in the form attached as Exhibit C. Said Deposit shall, except as provided below, become non-refundable, though applicable to the Purchase Price, on the later of October 22, 2007 or thirty (30) days after the Seller's Notification that Purchaser's Purchase and Sale Agreement is exclusive and no other right, option or instrument is applicable to the purchase of the Property or part of the Property ("Non-Refund Date"), including the rights of Northwest Restaurants of Oregon, Inc. Buyer may elect, at its sole discretion, to cancel the Purchase and Sale Agreement for a period of thirty (30) days after the Non-Refund Date. In the event Buyer elects to cancel after the Non-Refund date, Seller shall be entitled to retain from the Deposit a sum equal to \$2,000 per day. For example, if the

Non-Refund Date were October 22, and Purchaser elected to cancel the Purchase and Sale Agreement on October 26, Escrow would be dissolved and \$8,000 would be due Seller with the balance returned to Buyer. Closing shall occur 45 days after the Non-Refund Date, but not earlier than October 22, 2007, and not later than December 5, 2007. Said note shall be paid on the Non-Refund Date.

(b) Contingency. This entire transaction is contingent upon Seller obtaining a waiver from Northwest Restaurants, Inc. of its right of first refusal as to a part of the property. If it cannot be obtained within thirty (30) days from the execution of this Agreement, each party has the right to terminate the sale, and in that event, the Deposit shall be refunded, any expenses incurred with the title company and escrow shall be shared equally, and neither party shall be otherwise liable to the other for expenses, damages, costs, or otherwise.

(c) Cash Balance. On or before the Closing Date, the Buyer shall deposit into escrow the cash, a wire transfer of funds, a certified check, or a cashier's check, in the amount of the balance of the purchase price.

4. Escrow

(a) Opening of Escrow. The Buyer and the Seller shall deliver a fully executed copy of this Agreement to the Escrow Holder. The Buyer and the Seller hereby authorize their respective attorneys to execute and deliver into escrow any additional or supplemental instructions as may be necessary or convenient to implement the terms of this Agreement and to close this transaction. In the event of any conflict between such additional or supplemental instructions and the express terms of this Agreement, the terms of this Agreement shall control.

(b) Indemnification of Escrow Holder. If this Agreement or any matter relating to it becomes the subject of any litigation or controversy, the Buyer and the Seller agree, jointly and severally, to hold the Escrow Holder free and harmless from any loss or expense, including attorney fees, that may be suffered by it by reason thereof, except if by reason of the Escrow Holder's own negligence. In the event conflicting demands are made or notices are served on the Escrow Holder with respect to this Agreement, the Buyer and the Seller expressly agree that the Escrow Holder shall be entitled to file suit in interpleader and obtain an order from the court requiring the Buyer and the Seller to interplead and litigate their several claims and rights among themselves. Upon filing the action in interpleader, the Escrow Holder shall be fully released and discharged from any obligations imposed on it by this Agreement.

(c) Nonliability of Escrow Holder. The Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution, or validity of any instrument deposited with it, nor as to the identity, authority, or rights of any person executing such instrument, nor for failure to comply with any of the provisions of any agreement, contract, or other instrument filed with the Escrow Holder or referred to here, except the Escrow Holder's own performance pursuant to this Agreement or any other escrow instructions or if by reason of the Escrow Holder's own negligence. The Escrow Holder's duties under this Agreement shall be limited to safekeeping the money, instruments, or other documents received by it as the Escrow Holder,

and for depositing them in accordance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Paragraph 4(c) shall limit the liability of the Escrow Holder as the title insurer under the title policy.

(d) Closing Date. This transaction shall close forty-five (45) days after the Non-Refund Date, but not earlier than October 22, 2007 and not later than December 5, 2007 ("Closing Date").

5. Conditions to Closing

(a) Conditions Precedent to Buyer's Obligations. The close of escrow and the Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction, not later than the Closing Date (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

(i) Title. At closing the Seller shall convey fee simple title to the Property by Statutory Warranty Deed, subject only to nondelinquent real property taxes, items 1 through 20, of the preliminary title report prepared by the Escrow Holder, Order No. NCS-313-073-OR1, dated August 13, 2007, (the "Preliminary Commitment"), a copy of which is attached as Exhibit B, and other matters that may be approved in writing by the Buyer.

The Seller, at the Seller's cost and expense, caused the Escrow Holder to issue to the Buyer its preliminary title report on the Property (the "Preliminary Commitment"), along with copies of all documents that give rise to exceptions listed in the report (the "Underlying Documents"). Within fifteen (15) days of receiving the Preliminary Commitment and the Underlying Documents, or fifteen (15) days after the date of this Agreement, whichever is later, the Buyer shall give the Seller written notice setting forth the exceptions that are not acceptable to the Buyer (the "Unacceptable Exceptions"). All other exceptions shall be deemed acceptable to the Buyer (the "Permitted Exceptions"). The Seller shall have fifteen (15) days after receiving the Buyer's notice within which to give the Buyer its written notice agreeing to eliminate the Unacceptable Exceptions or electing to terminate this Agreement. If the Seller agrees to eliminate the Unacceptable Exceptions, the Seller shall be obligated to do so at its cost and as of the Closing Date.

(ii) Investigation and Review. It shall be a condition to closing that all documents in Seller's possession and control described in this Paragraph 5(a)(ii) (the "Investigation Documents") be delivered to the Buyer and that the results of the Buyer's site studies pursuant to Paragraph 5(a)(ii)(I) below be acceptable to the Buyer in its sole discretion. Buyer acknowledges that some of the Investigation Documents described below may not exist. All of the Investigation Documents that exist have already been supplied to Buyer.

Within five (5) business days after executing this Agreement, Buyer shall make any objection it has to said Investigation Documents in writing. Failure to do so will constitute approval. If Buyer disapproves of any Investigation Document within the time specified, Seller shall have five (5) business days from the date of receipt of notice in which to cure.

- A. Copies of all leases, lease amendments, easements and other binding agreements.
 - B. Any and all environmental and asbestos reports performed on the Property on behalf of Seller or in Seller's possession and that Seller materially uses in the administration of the Property.
 - C. Any property surveys for the Property, including, if available, any current ALTA boundary or topographic survey performed on the Property on behalf of Seller or in Seller's possession and that Seller materially uses in the administration of the Property.
 - D. Copies of reports and specifications for any maintenance or repair work performed on the Property during the past two (2) years.
 - E. Any wetlands reports or analysis performed on the Property on behalf of Seller or in Seller's possession and that Seller materially uses in the administration of the Property.
 - F. Any soils or geotechnical reports performed on the Property on behalf of Seller or in Seller's possession and that Seller materially uses in the administration of the Property.
 - G. Copies of any correspondence from city, state or other applicable jurisdiction received by Seller that would have a material affect on Purchaser's development of the Property.
 - H. Copies of any improvement plans for the Property performed on behalf of Seller, including utilities, civil and landscaping details.
 - I. Copies of any covenants, conditions and restrictions and any site planning guidelines that will be applicable to the Property.
 - J. The above referenced documentation notwithstanding, Purchaser shall be responsible for its own due diligence.
- (iii) No Material Changes. At the Closing Date, there shall have been no material adverse changes related to or connected with the Property, whether directly or indirectly.
- (iv) Title Insurance. As of the close of escrow, the Escrow Holder shall have issued or shall have committed to issue the title policy to the Buyer subject only to the Permitted Exceptions.
- (v) Bowling Alley Tenancy. As of the Closing Date the Bowling Alley lease shall have terminated and the Bowling Alley tenant shall have removed all of the tenant's property, shall have permanently vacated the premises, and shall have returned all keys to Seller.

The conditions set forth in this Paragraph 5(a) are solely for the benefit of the Buyer and may be waived only by the Buyer. The Buyer shall at all times have the right to waive any condition. Such waiver or waivers shall be in writing to the Seller. The waiver by the Buyer of any condition shall not relieve the Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of the Seller. Neither the Seller nor the Buyer shall act or fail to act for the purpose of permitting or causing any condition to fail (except to the extent the Buyer, in its own discretion, exercises its right to disapprove any such items or matters).

(b) Conditions Precedent to Seller's Obligations. The close of escrow and the Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the Buyer's delivery to the Escrow Holder on or before the Closing Date, for disbursement as provided herein, of the purchase price and the documents and materials described in Paragraph 6(b).

(c) Failure of Conditions to Closing. In the event any of the conditions set forth in Paragraph 5(a) or Paragraph 5(b) are not timely satisfied or waived, for a reason other than the default of the Buyer or the Seller under this Agreement:

(i) This Agreement, the escrow, and the rights and obligations of the Buyer and the Seller shall terminate, except as otherwise provided herein; and

(ii) The Escrow Holder is hereby instructed to promptly return to the Seller and the Buyer all funds and documents deposited by them, respectively, in escrow that are held by the Escrow Holder on the date of the termination minus funds, if any Seller is entitled to retain under paragraph 3(a) and minus, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by that party under Paragraph 5(d).

(d) (d) Cancellation Fees and Expenses. In the event this escrow terminates because of the nonsatisfaction of any condition for a reason other than the default of the Seller under this Agreement, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by the Buyer, in addition to the penalty provision of Paragraph 3(a). In the event this escrow terminates because of the Seller's default, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by the Seller.

6. Deliveries to Escrow Holder

(a) By Seller. On or before the Closing Date, the Seller shall deliver the following in escrow to the Escrow Holder:

(i) Deed. A Statutory Warranty Deed, duly executed and acknowledged in recordable form by the Seller, conveying the Property to the Buyer subject only to nondelinquent property taxes and the Permitted Exceptions.

(ii) Assignment of Leases and Estoppel Certificates. An assignment of leases duly executed and acknowledged by the Seller in recordable form, assigning to the Buyer all of the Seller's right, title, and interest in and to all the tenant leases and tenant deposits, together with Estoppel Certificates from each tenant executed on a form acceptable to Buyer. As indicated herein, the tenant deposits will be credited to the Buyer at closing.

(iii) General Assignment. An assignment duly executed by the Seller, assigning to the Buyer all of the Seller's right, title, and interest in and to all service contracts accepted by the Buyer.

(iv) Nonforeign Certification. The Seller represents and warrants that it is not a "foreign person" as defined in IRC §1445. The Seller will give an affidavit to the Buyer to this effect in the form required by that statute and related regulations.

(v) Tenant Notification Letter. A letter to tenants, duly executed by the Seller and dated as of the Closing Date, satisfactory in form and substance to the Buyer, notifying each tenant that:

A. The Property has been sold to the Buyer;

B. All of the Seller's right, title, and interest in and to the tenant leases and tenant deposits have been assigned to the Buyer; and

C. Commencing immediately, all rent and other payments and any notices under tenant leases are to be paid and sent to the Buyer.

(vi) Proof of Authority. Such proof of the Seller's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing any instruments, documents, or certificates on behalf of the Seller to act for and bind the Seller, as may be reasonably required by the Escrow Holder or the Buyer.

(vii) Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Escrow Holder in order to issue the title policy.

(b) By Buyer. On or before the Closing Date, the Buyer shall deliver the following in escrow to the Escrow Holder:

(i) Purchase Price. The purchase price less credit for the Deposit in accordance with Paragraph 3 above.

(ii) **Prorations.** The amount due the Seller, if any, after the prorations are computed in accordance with Paragraph 10 below.

7. Deliveries to Buyer at Closing. The Seller shall deliver possession of the Property to the Buyer at close of escrow. On or before the Closing Date, the Seller shall deliver to the Buyer possession of the following:

(a) **Keys.** All keys that Seller has in its possession to all entrance doors to the improvements on the Real Property, which keys shall be properly tagged for identification.

8. Title Insurance. At closing, the Seller shall provide, at its expense, a standard owner's title insurance policy in the amount of the purchase price specified above, insuring title vested in the Buyer or its nominees, subject only to nondelinquent real property taxes, and the Permitted Exceptions. The Buyer shall have the right, if the Buyer so elects, to cause the title policy to be issued as an extended coverage policy, provided the Buyer pays the additional premiums and all survey costs associated therewith. If the Buyer elects extended coverage, then the Seller shall execute and deliver to the Escrow Holder at closing a certificate and indemnity substantially in the form required by the Escrow Holder.

9. Adjustments. The Seller shall pay for the standard coverage title insurance policy, one-half of all escrow fees and costs, and the Seller's share of prorations pursuant to Paragraph 10 below. The Buyer shall pay recording charges, one-half of all escrow fees and costs, and the Buyer's share of prorations pursuant to Paragraph 10 below. The Buyer and the Seller shall each pay its own legal and professional fees of other consultants incurred by the Buyer and the Seller, respectively. All other costs and expenses shall be allocated between the Buyer and the Seller in accordance with the customary practice in Multnomah County, Oregon. At closing, the Buyer shall contribute any funds necessary to pay its share of adjustments.

10. Prorations

(a) **General.** Rental, revenues, and other income, if any, from the Property and presently existing taxes, assessments, improvement bonds, and other expenses, if any, affecting the Property, shall be prorated as of the day following the Closing Date. For the purpose of calculating prorations, the Buyer shall be deemed to be in title to the Property and, therefore, entitled to the income and responsibility for the expenses for the entire day following the Closing Date.

(b) **Delinquent Rentals.** Rentals are delinquent when payment of rent is due on or before the Closing Date but has not been made. Delinquent rentals shall be prorated between the Buyer and the Seller as specified above but not until the rents are actually collected. The Seller shall have the right to collect any delinquent rental, but shall not have the obligation to do so. All collection proceedings and procedures by the Seller shall require the prior approval of the Buyer, which shall not be unreasonably withheld. Delinquent rentals collected by the Seller or the Buyer, net of costs of collection (including attorney fees), shall be applied first against sums

owed to the Buyer, as of the date of collection, since closing, and then to the Seller for delinquent rent before the Closing Date. The Buyer and the Seller agree that any payments due to either party as a result of collected delinquent rentals shall be payable when received.

(c) Tenant Deposits. The amount of all tenant deposits as set forth in the tenant estoppel certificates shall be credited to the account of the Buyer.

(d) Method of Proration. All prorations shall be made in accordance with customary practice in Multnomah County, Oregon, except as expressly provided herein. Such prorations, if and to the extent known and agreed on as of the Closing Date, shall be paid by the Buyer to the Seller (if the prorations result in a net credit to the Seller) or by the Seller to the Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by the Buyer at closing. Any such prorations not determined or not agreed on as of the Closing Date shall be paid by the Buyer to the Seller, or by the Seller to the Buyer, as the case may be, in cash as soon as practicable following the Closing Date.

11. Disbursements and Other Actions by Escrow Holder. At closing, the Escrow Holder shall do the following:

(a) Funds. Disburse all funds deposited with the Escrow Holder by the Buyer in payment of the purchase price as follows:

(i) Deduct all items chargeable to the account of the Seller pursuant to Paragraph 9 above.

(ii) Disburse the balance of the purchase price to the Seller promptly upon closing.

(iii) Disburse the remaining balance of the funds, if any, to the Buyer promptly upon closing.

(b) Recording. Cause the deed, and any other documents that the parties may mutually direct to be recorded in the official records and obtain conformed copies for distribution to the Buyer and the Seller.

(c) Title Policy. Issue the title policy to the Buyer.

(d) Disbursement of Documents to Buyer. Disburse to the Buyer the general assignment, the FIRPTA certificate, the tenant notification letters and change of address notices duly executed by the Seller, and any other documents (or copies thereof) deposited into escrow by the Seller pursuant hereto.

12. Seller's Representations and Warranties. In addition to any express agreements of the Seller contained here, the following constitute representations and warranties of the Seller to the Buyer:

(a) Representations Regarding Seller's Authority.

(i) The Seller has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated here.

(ii) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Seller in connection with entering into this Agreement, the instruments referred to here, and the consummation of the transactions contemplated here. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(iii) The persons executing this Agreement and the instruments referred to here on behalf of the Seller and the partners, officers, or trustees of the Seller, if any, have the legal power, right, and actual authority to bind the Seller to the terms and conditions of this Agreement.

(iv) This Agreement and all documents required to be executed by the Seller are and shall be valid, legally binding obligations of and enforceable against the Seller in accordance with their terms.

(v) Neither the execution and delivery of this Agreement and documents referred to here, nor the incurring of the obligations set forth here, nor the consummation of the transactions here contemplated, nor compliance with the terms of this Agreement and the documents referred to here conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which the Seller is a party or affecting the Property.

(b) Warranties and Representations Pertaining to Real Estate and Legal Matters.

(i) The information contained in the recitals is true and correct.

(ii) There is no litigation, claim, or arbitration, pending or threatened, with regard to the Property or its operation.

(iii) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of the Seller's knowledge, threatened against the Seller, nor are any such proceedings contemplated by the Seller.

(iv) To the best of the Seller's knowledge after due inquiry, the construction, occupancy, and operation of the Property materially conform to and comply with all applicable city, county, state, and federal law, statutes, ordinances, and regulations.

(v) To the best of the Seller's knowledge after due inquiry, there are no material structural defects in the building, nor are there any major repairs required to operate the building in a lawful, safe, and efficient manner. The Bowling Alley is excepted from this item.

(vi) The Seller is the legal and beneficial fee simple titleholder of the Property and has good, marketable, and insurable title to the Property, free and clear of all liens, encumbrances, claims, covenants, conditions, restrictions, easements, rights of way, options, judgments, or other matters, except as disclosed by the preliminary title report. There shall be no change in the ownership, operation, or control of the Seller from the date of this Agreement until the Closing Date.

(vii) The electrical, plumbing, heating, and air conditioning systems and any other utility systems will be in substantially the same condition at closing as when the Buyer conducted its inspection. The Bowling Alley is excepted from this item.

(viii) The Seller has not entered into any other contracts for the sale of the Property, nor do there exist any rights of first refusal or options to purchase the Property, except the agreement mentioned in Paragraph 3(a).

(ix) The Seller has not received any notices from any insurance company of any defects or inadequacies in the Property.

(x) Any licenses and permits obtained by the Seller have been fully paid for and are not subject to any liens, encumbrances, or claims of any kind.

(xi) The Seller has not sold, transferred, conveyed, or entered into any agreement regarding "air rights" or other development rights or restrictions relating to the Property.

(xii) To the best of the Seller's knowledge, the Property is materially in compliance with applicable state and federal environmental standards and requirements affecting it.

(xiii) The Seller has not received any notices of violation or advisory action by regulatory agencies regarding environmental control matters or permit compliance with respect to the Property.

(xiv) The Seller has not transferred hazardous waste from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements. To the best of the Seller's knowledge, no other person has transferred hazardous waste from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements.

(xv) There are no proceedings, governmental administrative actions, or judicial proceedings pending or, to the best of the Seller's knowledge, contemplated under any federal,

state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

(xvi) To the best of the Seller's knowledge, the Seller has not, during its ownership of the Property, stored, produced, or disposed of any hazardous substance, including asbestos, on the Property.

(xvii) No person has any rights in the property by virtue of any unrecorded agreement or otherwise except as disclosed by the Preliminary Commitment and the Investigation Documents.

(c) Representations Pertaining to Tenant Leases and Service Contracts. To the best of the Seller's knowledge after due inquiry:

(i) The rent roll, leases, and all other information and documentation to be provided by the Seller to the Buyer in connection with this transaction are complete, true, and accurate, and are presented in a manner that is not misleading. The Bowling Alley tenancy is terminating irrevocably, effective October 17, 2007.

(ii) All leases are in full force and effect with rents paid currently (except as indicated in the rent roll).

(iii) With regard to the tenant leases, the Seller knows of no default by it or by any of the tenants, and there have been no verbal changes and no concessions granted with respect to the leases or tenants under the leases.

(iv) The only service or maintenance contracts have been provided or disclosed in writing to the Buyer. All the service may be terminated without penalty or other payment, except for the current sum then owing by the Buyer on 30 days' or less notice.

(v) There is no current default or breach under the terms and provisions of any of the service contracts. The service contracts have not been and will not be amended or modified except as indicated here.

(vi) As of the Closing Date, the Seller's interest in tenant leases and rentals due or to become due thereunder will not be subject to any assignment, encumbrance, or liens.

(vii) Except as indicated in Paragraph 17 below, no leasing or brokerage fees or commissions of any nature whatsoever shall become due or owing to any person, firm, corporation, or entity after closing with respect to the tenant leases.

(viii) The Seller has no employees whom the Buyer will be required to employ after closing.

(d) Representations, Warranties, and Covenants Regarding Operation of the Property Through the Close of Escrow.

(i) The Seller further represents and warrants that, until this transaction is closed or escrow is terminated, whichever comes earlier, it shall:

A. Operate the Property in a commercially reasonable manner and maintain the property so that it is substantially in the same condition as when inspected by the Buyer's representative. ;

B. Keep all existing insurance policies affecting the Property in full force and effect;

C. Make all regular payments of interest and principal on any existing financing;

D. Comply with all government regulations;

E. Keep the Buyer timely advised of any repair or improvement required to keep the Property in substantially the same condition as when inspected by the Buyer and that costs more than \$10,000.

F. Buyer acknowledges that the Bowling Alley Tenancy will be terminated prior to closing.

(ii) The Seller hereby agrees that the Seller will not hereafter modify, extend, or otherwise change any of the terms, covenants, or conditions of the tenant leases, or enter into new leases or any other obligations or agreements affecting the Property without the prior written consent of the Buyer, which consent may be withheld in Buyer's sole discretion. Without the prior written consent of the Buyer, the Seller shall not terminate any of the tenant leases, unless the tenant thereunder has materially defaulted in the payment of rent. The Seller shall not accept from any of the tenants payment of rent more than one month in advance or apply any security deposit to rent due from any tenant.

(iii) Except as otherwise provided here, the Seller will not extend, renew, modify, or replace any of the service contracts without the prior written consent of the Buyer which consent may be withheld in Buyer's sole discretion.

(v) The Seller will not make any alterations to the Property.

(e) General Representation. The Seller's representations and warranties contained here are true and accurate, and are not misleading. The Seller's representations and warranties contained here shall be continuing and shall be true and correct as of the Closing Date with the same force and effect as if remade by the Seller in a separate certificate at that time. The Seller's representations and warranties contained here shall survive the close of escrow and shall not merge into the deed and the recordation of the deed in the official records.

13. As Is. Other than the Seller's representations and warranties contained in this Agreement and those contained in any instrument delivered to the Buyer at closing, the Buyer acknowledges that it is purchasing the Property AS IS.

14. Buyer's Representations and Warranties. In addition to any express agreements of the Buyer contained here, the following constitute representations and warranties of the Buyer to the Seller:

(a) The Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated here.

(b) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Buyer in connection with entering into this Agreement and the instruments referred to here and the consummation of the transactions contemplated here. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(c) The persons executing this Agreement and the instruments referred to here on behalf of the Buyer have the legal power, right, and actual authority to bind the Buyer to the terms and conditions of this Agreement.

(d) This Agreement and all documents required by it to be executed by the Buyer are and shall be valid, legally binding obligations of, and enforceable against the Buyer in accordance with their terms.

(e) Neither the execution and delivery of this Agreement and documents referred to here, nor the incurring of the obligations set forth here, nor the consummation of the transactions contemplated, nor compliance with the terms of this Agreement and the documents referred to here conflicts with or results in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which the Buyer is a party.

15. Damage or Destruction; Condemnation. Until close of escrow, the risk of loss shall be retained by the Seller. The Seller shall keep the Property fully insured until close of escrow.

In the event all or any material portion of the Property is damaged or destroyed, before the close of escrow, the Buyer may not terminate this Agreement and this Agreement shall remain in full force and effect, including, without limitation, the Buyer's obligation to close this transaction as provided for here and to pay the full purchase price to the Seller. In such event, the Buyer shall be assigned all insurance proceeds payable to or for the account of the Seller. In the event all or any portion of the Property is condemned or threatened with condemnation Buyer

shall have the right to terminate this Agreement in which event the terms of paragraph 5(c) shall apply.

16. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and shall be (a) personally delivered (including by means of professional messenger service), which notices and communications shall be deemed received on receipt at the office of the addressee; (b) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications shall be deemed received three days after deposit in the United States mail; (c) sent by overnight delivery using a nationally recognized overnight courier service, which notices and communications shall be deemed received one business day after deposit with such courier; or (d) sent by telefax, which notices and communications shall be deemed received on the delivering party's receipt of a transmission confirmation.

To Buyer: Multnomah County, Oregon
Attn: Mike Sublett
401 N. Dixon St.
Portland, OR 97227
Fax: (503) 988-5082

With a Copy to: Multnomah County, Oregon
Attn: John Thomas
501 SE Hawthorne Blvd.
Portland, OR 97214
Fax: (503) 988-3377

To Seller: c/o Carter Gilleland
7900 Caledonia Dr.
San Jose, California 95135
Fax: (408) 532-6696

With a Copy to: Richard F. Deich, Attorney at Law
1618 SW First Ave., Suite 315
Portland, OR 97201
Fax: (503) 222-2868

and a Copy to: Melvin Mark Brokerage Co.
Attn: Tim Parker
111 SW Columbia
Portland, OR 97201
Fax: (503) 223-4606

To Escrow Holder: First American Title Company
200 SW Market St.
Portland, OR 97201
Fax: (503) 795-7614

Notice of change of address shall be given by written notice in the manner detailed in this paragraph.

17. Broker. At the close of escrow, the Seller shall pay from funds accruing to the Seller through escrow any brokerage commission and fees owed to the brokerage firm of Melvin Mark Brokerage Co. in connection with the transactions contemplated by this Agreement. The Seller represents and warrants to the Buyer, and the Buyer represents and warrants to the Seller, that no other broker or finder has been engaged by it, respectively, in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any of such transactions. In the event of any claims for additional brokers' or finders' fees or commissions in connection with the negotiation, execution, or consummation of this Agreement, then the Buyer shall indemnify, hold harmless, and defend the Seller from and against such claims if they shall be based on any statement or representation or agreement by the Buyer, and the Seller shall indemnify, hold harmless, and defend the Buyer if such claims shall be based on any statement, representation, or agreement made by the Seller.

18. Required Actions of Buyer and Seller. The Buyer and the Seller agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and shall use their best efforts to accomplish the close of escrow in accordance with the provisions here.

19. Entry. The Buyer, its agents, and designees shall have reasonable access to the Property for the sole purpose of conducting inspections, environmental testing and due diligence activities. The Buyer's right to access does not negate the warranties and covenants contained here. The Buyer shall indemnify and hold the Seller harmless from any loss, damage, or claim arising out of the Buyer's access to the Property.

20. Legal and Equitable Enforcement of This Agreement

(a) Default by the Seller. In the event the close of escrow and the consummation of the transaction here contemplated do not occur by reason of any default by the Seller, the Buyer shall be entitled to all its out-of-pocket expenses incurred in connection with the transaction, including the deposit, and shall have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

(b) Default by the Buyer. In the event the close of escrow and the consummation of the transaction here contemplated do not occur by reason of any default by the Buyer, the deposit will be disbursed to Seller which shall be Seller's sole remedy. The Escrow Holder shall not

require the Buyer's written approval as a condition precedent to the disbursement of the deposit to the Seller.

21. Assignment. Buyer shall have the right, after giving written notice to Seller, to assign its rights and obligations under this Purchase and Sale Agreement for purposes of financing or security only, as long as the assignee assumes the obligations of the Buyer and the assignee demonstrates to the Seller's satisfaction that it has the financial ability to perform. Notwithstanding the foregoing, no such assignment shall relieve the Buyer from its liability under this Agreement up to and through the close of escrow. In the event of assignment, the assignor waives notice, presentment, any defenses arising from subsequent modification of this Agreement, and any defenses other than those that may be raised by the assignee.

22. Miscellaneous

(a) **Partial Invalidity.** If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(b) **Waivers.** No waiver of any breach of any covenant or provision contained here shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision here contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

(c) **Survival of Representations.** The covenants, agreements, representations, and warranties made here shall survive the close of escrow and shall not merge into the deed and the recordation of it in the official records.

(d) **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the permitted successors and assigns of the parties to it.

(e) **Attorney Fees.** In the event a party to this Agreement brings any action or suit against another party to this Agreement by reason of any breach of any of the covenants, agreements, or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorney fees, at trial and on appeal.

(f) **Entire Agreement.** This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it, including but not limited to, the Sale Agreement and Receipt for Earnest Money and all addenda

thereto and/or modifications thereof. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted here. The parties do not intend to confer any benefit on any person, firm, or corporation other than the parties hereto.

(g) **Time of Essence.** The Seller and the Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision.

(h) **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural, and the masculine shall include the feminine, and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference. [In the event the date on which the Buyer or the Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.] [Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless the last day is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, nor legal holiday. The last day of any period of time described herein shall be deemed to end at 5 p.m. Oregon time.

23. Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the state of Oregon.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written above.

BUYER:
Multnomah County, a Political
Subdivision of the State of Oregon

By: RD Wheeler
Its: Chair
Date of Execution: 9-13-07

SELLER:
Rockwood-Stark Center, Inc. and

By: CE Gilleland
Its: President
Date of Execution: 9/12/07

SELLER:
Rockwood Bowling Center, Inc.

By: CE Gilleland
Its: President
Date of Execution: 9/12/07

Reviewed

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

[Signature]
John S. Thomas
Deputy County Attorney

FIRST AMERICAN TITLE INSURANCE COMPANY, the Escrow Holder, by its duly authorized signature below, agrees to accept this escrow on the terms and conditions of, and to comply with the instructions contained in, the foregoing Agreement.

FIRST AMERICAN TITLE
INSURANCE COMPANY

/s/ _____
By: _____
Title: _____

EXHIBITS ATTACHED

- A. Property Description
- B. Exceptions (2 Pages)
- C. Promissory Note