

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 2016-093

Approving the Purchase of Certain Real Property from State Office Building, LLC, and Authorizing the Chair to Execute all Necessary Documents to Complete the Purchase.

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 99-173, dated September 9, 1999, Multnomah County ("County") entered into a lease ("Lease") of 4,972 square feet in an office building complex located at 1245-1415 SE 122nd Avenue, Portland, Oregon owned by State Office Building, LLC, an Oregon limited liability company ("Seller"). The County has operated a Department of Community Justice ("DCJ") office at the site through a lease assignment since the transfer in 1992 of the probation and parole functions from the State of Oregon ("State") to the County.
- b. The Lease property was a portion of the entire business complex, which consists of a 2.46-acres site with three structures located at 1245 and 1415 SE 122nd Avenue in Portland, Oregon (the "Property"). The Property is centrally located for East County public services, and the Lease has been renewed repeatedly since commencement, most recently extending the term until September 30, 2017. Until May of 2016, the State leased the remaining portions of the Property.
- c. Multnomah County Facilities and Property Management Division ("Facilities") has been coordinating with County Departments, including DCJ, on a Facilities Asset Strategic Plan (FASP) for the future needs of County programs. The Property is located in an area of increasing demand for County services and it has been determined to have the potential to serve forecasted needs for DCJ services. Through consolidation of DJC programs, the County will be able to successfully relocate an expiring leasehold and dispose of an owned building, supporting FASP goals. Consolidation of County programs into the Property will also achieve operating efficiencies.
- d. The Seller and Facilities entered into negotiations for a potential acquisition of the Property in late 2014. Facilities has conducted extensive due diligence as to the suitability of the Property for County use, including programming, structural, environmental and operating considerations. Facilities and contractors have established budgets for the capital improvements to adapt and renovate the Property for County use. The capital program and associated contracting will be considered under separate Resolutions.
- e. Seller granted County a Right of First Offer to the purchase the Property that expired March 28, 2016. In order to demonstrate to the Seller that County was negotiating the purchase of the Property in good faith, the County executed a Letter of Intent dated June 2, 2016.
- f. The proposed Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement", Attachment 1) commits the County to the purchase of the Property for \$4,500,000 upon the County's satisfaction or waiver of pre-closing conditions. The Agreement requires the County to pay \$45,000 of nonrefundable earnest money once this Resolution is executed and provides for closing of the purchase not earlier than October 30, 2016 and not later than November 14, 2016.
- g. It is in the best interests of the County to purchase the Property on the terms and conditions set forth in the attached Agreement.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves the purchase of the Property on terms substantially in conformance with the attached Agreement.
2. The County Chair is authorized and directed to execute the Agreement and all other necessary documents required for completion of the purchase.

ADOPTED this 22nd day of September, 2016.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury

Deborah Kafoury, Chair

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By *Courtney Lords*
Courtney Lords, Assistant County Attorney

SUBMITTED BY: Sherry Swackhamer, Director, Department of County Assets.

**AGREEMENT OF PURCHASE AND SALE AND
JOINT ESCROW INSTRUCTIONS**

TO: Chicago Title Company of Oregon
1211 SW Fifth Avenue, Suite 2130
Portland OR 97204
Attention: Patricia Parsons
Escrow No. _____

(the "Escrow Holder")

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of _____, 2016, by and between STATE OFFICE BUILDING, LLC, an Oregon limited liability company (the "Seller"), and MULTNOMAH COUNTY, a political subdivision of the State of Oregon (the "Buyer").

The Seller is the owner of the real property and improvements on it, consisting of approximately 2.46-acre site, including three structures on two tax lots (R332107, R331969) located at 1245 and 1415 SE 122nd Avenue, Portland, Oregon, hereinafter referred to as the "Property", located in the City of Portland, County of Multnomah, State of Oregon, and more particularly described in attached **Exhibit A**.

The Buyer leases a portion of the Property ("Leased Premises") from the Seller pursuant to that certain lease agreement dated September 24, 2009, as amended by the First Lease Amendment and Extension to Lease #L-42 dated October 1, 2009, and the second Lease Amendment and Extension to Lease #L-42 (collectively, the "Lease"). The Leased Premises are as described in the Lease.

The Buyer desires to purchase from the Seller, and the Seller desires to sell to the Buyer the Property in accordance with the terms ("Terms") of this Agreement.

TERMS:

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 is \$4,500,000 ("Purchase Price").

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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 \$45,000.00 ("Deposit") in the form attached as **Exhibit B** (the "Earnest Money Note"). The Deposit will be payable, in accordance with the terms of the Earnest Money Note, no later than October 7th, 2016, and will be deposited with Escrow Holder for disbursement in accordance with this Agreement. Said Deposit shall become non-refundable (except as otherwise expressly provided in Paragraph 19(a)), though applicable to the Purchase Price, on October 7th, 2016.

(b) Cash Balance. On or before the Closing Date (defined below), the Buyer shall deposit into escrow cash or other immediately available funds in the amount of the balance of the Purchase Price.

(c) Exclusive Offering. In consideration of Buyer's agreement to commence due diligence and expend funds for due diligence upon mutual execution of that certain Letter of Intent, dated June 2, 2016, Seller agrees not to offer the Property to any other potential buyer and not to accept any other offer to purchase for a period to and including October 7th, 2016. Furthermore, the parties agree to keep all negotiations confidential unless waived in writing by both parties, subject to Oregon Public Records Law, ORS 192.410 to 192.505.

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 as a result, except if such litigation or controversy occurs 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) Non-liability 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 gross 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 not earlier than October 30, 2016 and not later than November 14th, 2016, on such date as the parties may mutually agree. Prior to closing, both parties must agree that all closing conditions and deliverables set forth in this Agreement have been satisfied ("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. Board Approval. Buyer shall not be obligated to purchase the Property unless at or prior to closing the Multnomah County Board of County Commissioners has adopted a resolution ("Buyer Resolution") approving purchase of the Property and this Agreement, and authorizing Buyer's Chair to execute all documents and take all actions necessary to close the purchase. The Buyer shall deliver a copy of the Buyer Resolution to the Seller not later than October 7th, 2016.

ii. Title. Title to the Property shall be good and marketable and shall be free and clear of all liens, encumbrances, easements, assessments, restrictions, tenancies not agreed to by Buyer (whether recorded or unrecorded) and other exceptions to title, except the lien of real property taxes not yet due and payable, Permitted Exceptions and other exceptions approved in writing by Buyer.

The Buyer, at the Buyer's cost and expense, shall cause the Escrow Holder to issue a preliminary title report on the Property (the "Preliminary Commitment"), along with copies of all documents that give rise to any exceptions listed in the report (the "Underlying Documents"), with a copy to both parties no later than seven (7) days after the date of this Agreement. Within fourteen (14) days of receiving the Preliminary Commitment and the Underlying Documents, or fourteen (14) 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 ("Permitted Exceptions"). The Seller shall have seven (7) 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.

iii. Investigation and Review. It shall be a condition to closing that the documents described in this Paragraph 5(a)(iii) (the "Investigation Documents") be delivered to the Buyer and approved as provided below. Buyer acknowledges and agrees, that as of the date of this Agreement, Buyer has received, reviewed and approved copies of all Investigation Documents and that this condition to closing is satisfied.

The Investigation Documents consist of the following:

- A. Copies of all current leases, subleases, rent rolls, proposed leases, lease amendments, easements, and any other binding agreements affecting the tenancies;
- B. Any and all environmental, hazardous material and asbestos reports performed on the Property on behalf of Seller or in Seller's possession or control;
- 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 or control;
- D. Copies of reports and/or specifications for any maintenance or repair work performed on the Property during the past three (3) years;
- E. Any wetlands reports or analysis performed on the Property on behalf of Seller or in Seller's possession or control;
- F. Any soils or geotechnical reports performed on the Property on behalf of Seller or in Seller's possession or control;
- G. Copies of any correspondence from city, state or other applicable jurisdiction received by Seller that would have a material effect on Buyer's re-development of the Property;
- H. Copies of any improvement plans for the Property performed on behalf of Seller, including structural, civil, utilities and landscaping details;
- I. Copies of any covenants, conditions, restrictions, historic designations and any site planning guidelines that will be applicable to the Property; and
- J. Any other business documents or records with respect to the operation of the Property which may reasonably be requested by Buyer, including "as built" or construction documents.

Seller's obligation to provide the above-referenced documentation notwithstanding, Buyer shall be responsible for its own due diligence. Seller and Buyer acknowledge that prior to the execution of this Agreement, Buyer conducted inspections and analysis ("Buyer's Documents," as listed in **Exhibit H**), complete copies of the results of which have been delivered to Seller.

iv. No Material Changes. At the Closing Date, there shall have been no material adverse changes to the condition of the Property or title to the Property.

v. 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.

vi. Waiver. The conditions set forth in this Paragraph 5(a), except under Paragraph 5(a)(i), 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, except to the extent expressly waived by Buyer in writing.

(b) Conditions Precedent to Seller's Obligations. The close of escrow and the Seller's obligations with respect to the transactions contemplated by this Agreement are subject to (i) 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, materials and amounts described in Paragraph 6(b); and (ii) the Buyer's delivery of the duly executed Buyer Resolution to Seller no later than October 7th, 2016, unless such date is extended by Seller, in its sole discretion, in writing.

(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 (the remedies for which are addressed in Paragraph 19 below), then:

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 each of them, respectively, in escrow that are held by the Escrow Holder on the date of the termination (minus, in the case of the party otherwise entitled to such funds, the amount of any cancellation charges required to be paid by that party under Paragraph 5(d)).

(d) Cancellation Fees and Expenses. In the event this escrow terminates because of the non-satisfaction of any condition for a reason other than the default of the parties under this Agreement, the cancellation charges required to be paid by and to the Escrow Holder shall be borne equally by the Buyer and the Seller. In the event this escrow terminates because of a

party's default, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by the defaulting party.

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 non-delinquent property taxes, any Permitted Exceptions and any other exceptions approved in writing by Buyer, in the form attached as **Exhibit C** and incorporated herein ("Deed").

ii. Assignment of Leases. An assignment of leases ("Lease Assignment") duly executed and acknowledged by the Seller in recordable form, assigning to Buyer all of the Seller's right, title, and interest in and to all the tenant leases and tenant deposits, in the form attached as **Exhibit D** and incorporated herein. As indicated herein, the tenant deposits not previously applied will be credited to the Buyer at closing.

iii. Tenant Estoppel Certificates. Duly executed tenant estoppel certificates for all tenants substantially in the form attached as **Exhibit E** and incorporated herein ("Tenant Estoppel Certificates").

iv. General Assignment. An assignment ("General 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, in the form attached as **Exhibit F** and incorporated herein.

v. 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 ("FIRPTA") to the Buyer to this effect in the form required by that statute and related regulations.

vi. Tenant Notification Letter. A letter to tenants, excluding the Buyer, executed by the Seller and dated as of the Closing Date, in substantially the form attached as **Exhibit G** and incorporated herein, 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 not previously applied 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.

vii. 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.

viii. Lien Affidavits. An affidavit and indemnity duly executed by Seller, if required by the Escrow Holder in order to issue the title policy, in such form as Escrow Holder shall reasonably require (the "Owner Affidavit").

(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 in accordance with Paragraphs 2 and 3 above.

ii. Lease Assignment. The Lease Assignment duly executed by the Buyer in recordable form.

iii. General Assignment. The General Assignment duly executed by the Buyer.

iv. Prorations. The amount due the Seller, payable by the Buyer, if any, after the prorations are computed in accordance with Paragraph 10 below.

v. Certificate of Authority. Such certificate of the Buyer'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 person(s) executing any instruments, documents, or certificates on behalf of the Buyer to act for and bind the Buyer as may be reasonably required by the Escrow Holder or Seller. The foregoing requirement may be satisfied by Buyer's delivery of the Buyer Resolution, provided that the form of such Buyer Resolution satisfies all conditions set forth in this subparagraph.

7. Deliveries to Buyer at Closing.

(a) 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:

i. Keys. The Seller shall provide all keys that Seller has in its possession to all entrance doors to the improvements on the Property, which keys shall be properly tagged for identification.

8. Title Insurance. At closing, the Seller shall cause Escrow Holder to provide evidence of its commitment to issue to Buyer, at Seller's expense, a standard owner's title insurance policy in the amount of the Purchase Price specified above, that will insure title vested

in the Buyer or its nominees, subject only to non-delinquent real property taxes, the Permitted Exceptions, tenancies disclosed to Buyer and other matters that may be approved in writing by the Buyer. 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 the Owner Affidavit.

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. Except as provided below, rental, revenues, and other income, if any, from the Property and taxes, assessments, improvement bonds, and other expenses, if any, affecting the Property, shall be prorated as of 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 of the Closing Date.

(i) Taxes shall be prorated between Buyer and Seller in accordance with local custom for commercial real estate transactions involving property in Multnomah County, Oregon, provided however, that there shall be no credit to Seller for taxes paid by Seller for which Seller has been reimbursed by tenants under the leases of the Property (as a component of base rent, through annual reconciliation or otherwise). Taxes for the year of closing shall be prorated as of 12:01 a.m. on the Closing Date. Taxes shall be prorated based on amounts for the portion of the fiscal tax year which has elapsed prior to the Closing Date (with a credit given to Seller for taxes that have been paid by Seller, are attributable to the period post-closing, and for which Seller has not been reimbursed by tenants of the Property). For illustration purposes only, if closing occurs on October 30, 2016, Buyer shall be responsible for paying Seller at closing taxes attributable to the period November 1, 2016 through June 30, 2017 which Seller has paid, and for which Seller has not been reimbursed by tenants (as a component of base rent, through annual reconciliation or otherwise).

(ii) Seller shall pay all water, sewer, utility charges, common area maintenance charges, and other operating expenses that Seller is obligated to pay under any leases of the Property ("Operating Expenses") through the day before the Closing Date, and Buyer shall pay all such Operating Expenses as of and following the Closing Date. Operating Expenses shall be prorated among Buyer and Seller as of 12:01 a.m. on the Closing Date, provided, that, there shall be no credit to Seller for Operating Expenses for which Seller has been reimbursed by tenants under the leases of the Property (as a component of base rent, through

annual reconciliation or otherwise). As of the Closing Date, Buyer shall transfer the utility bills to Buyer's own name, and as such, Buyer will be responsible for all utility charges accruing on and after the Closing Date.

(iii) To the extent the leases of the Property provide that the tenants are required to reimburse the Seller for a portion of the taxes, Operating Expenses and other items associated with the Property, and Seller has not been reimbursed for such items by tenants as of closing (as a component of base rent, through annual reconciliation or otherwise), then Buyer and Seller shall calculate and provide for the payment of any such amount owed to Seller for such items as soon as practicable following closing, outside of escrow. This obligation shall survive closing.

(iv) On or before the day before the Closing Date, Seller shall deliver to Buyer an accounting of the actual, if available, or estimated prorated taxes and Operating Expenses to be paid by Buyer at closing. With respect to those tax and/or expense items for which sufficient information will not be available prior to closing to calculate a monetary proration as of closing, estimated charges shall be prorated between the parties and appropriate credits given, and post-closing adjustments shall be made as soon as practicable following closing, outside of escrow (which obligation shall survive closing).

(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 of the Closing Date, 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 Seller for delinquent rent before the Closing Date, and then against sums owed to the Buyer for delinquent rent after 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 (and not previously applied) 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, upon satisfaction of all closing conditions and deliverable obligations of the parties set forth in this Agreement, 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 and prorated items 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. Deduct all items chargeable to the account of the Buyer pursuant to Paragraph 9 above.

iv. Disburse the remaining balance of the funds, if any, to the Buyer promptly upon closing.

(b) Recording. Record the Deed, and any other documents that the parties may mutually direct to be recorded in the official records of Multnomah County 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 Lease Assignment, 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 herein, the following constitute representations and warranties of the Seller to the Buyer. The representations and warranties in this paragraph relate to all portions of the Property except for the interior premises occupied by Buyer as tenant.

(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 herein and to consummate the transactions contemplated herein.

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 herein, and the consummation of the transactions contemplated herein. No further consent of

any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

iii. The persons executing this Agreement and the instruments referred to herein on behalf of the Seller 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 herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein, conflict with or will 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. Except as disclosed to the Buyer in writing, there is no litigation, claim, or arbitration, pending or, to Seller's knowledge, 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 Seller's knowledge, threatened against the Seller, nor are any such proceedings contemplated by the Seller.

iv. To Seller's knowledge, the construction of the Property and the 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 Seller's knowledge, there are no material structural defects in the improvements on the Property.

vi. 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.

vii. The Seller has not received any notices from any insurance company of any defects or inadequacies in the Property in the past five (5) years.

viii. Any licenses and permits obtained by the Seller with respect to the Property have been fully paid for.

ix. 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.

x. 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 in the past five (5) years.

xi. 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.

xii. There are no proceedings, governmental administrative actions, or judicial proceedings pending under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment with respect to the Property.

xiii. Except as disclosed in the Phase I Environmental Assessment prepared by Surveys Inc. dated March 17, 2005, a copy of which has been provided to the Buyer, to 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.

(c) Representations Pertaining to Tenant Leases and Service Contracts. To the Seller's knowledge:

i. The rent roll, leases, subleases and lease amendments provided by the Seller to the Buyer in connection with this transaction are complete, true, and accurate in all material respects, and are presented in a manner that is not materially misleading.

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, except as indicated in the rent roll.

iv. The only service or maintenance contracts currently in effect have been provided or disclosed in writing to the Buyer. Except where the Seller has indicated to the contrary, all the service contracts may be terminated without penalty or other payment, except for the current sum then owing by the Buyer on 30 days' or less notice, on the terms specified in the written contracts delivered to Buyer. The elevator service contract with Centric Elevator Corp. may be terminated upon ninety (90) days' written notice prior to the end of any term.

v. To Seller's knowledge, there is no current default or breach under the terms and provisions of any of the service contracts. The service contracts have not been amended or modified except as disclosed to the Buyer in writing and will not be amended or modified except as indicated herein.

vi. 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.

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

(d) Covenants Regarding Operation of the Property Through the Close of Escrow.
Until this transaction is closed, Seller agrees that Seller:

i. Shall operate and maintain the Property in a manner consistent with the Seller's past practices;

ii. Shall keep all existing insurance policies affecting the Property in full force and effect;

iii. Shall make all regular payments of interest and principal on any existing financing;

iv. Shall comply with all government regulations;~~and~~;

v. Shall 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 \$5,000.00.

vi. Shall keep Seller's interest in tenant leases and rentals due or to become due thereunder free of any lien or encumbrance;

vii. Shall 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 shall not be unreasonably withheld.

viii. Without the prior written consent of the Buyer, shall not terminate any of the tenant leases, unless the tenant thereunder has materially defaulted in the payment of rent or other lease obligation.

ix. Shall not accept from any of the tenants payment of rent more than one (1) month in advance or apply any security deposit to rent due from any tenant. Nothing contained herein shall restrict the right of the Seller to enter into month-to-month leases or grant month-to-

month extensions of existing tenant leases in the ordinary course of business at rates consistent with those reflected in the rent roll, nor shall anything herein restrict the right of the Seller to enter into service contracts or extend or modify existing service contracts in the ordinary course of business as long as such service contracts can be terminated, without penalty or payment by the Buyer, upon thirty (30) days' or less notice.

x. , unless approved in writing by Buyer shall not make any material alterations to the Property without Buyer's prior written consent, which consent shall not be unreasonably withheld.

(e) General Representation.

All representations and warranties "to Seller's knowledge," and references to the "knowledge" of Seller, shall mean Seller's actual knowledge and constructive knowledge. For purposes of this Agreement, the term "constructive knowledge" shall mean the knowledge that Seller would have obtained after reasonable investigation and inquiry with respect to the particular matter in question. Seller's representations and warranties contained herein shall be true and correct as of the date of this Agreement and 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 herein shall survive the close of escrow for the period identified in Paragraph 23(c), 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 by the Seller to the Buyer at closing, Buyer is relying solely on its own due diligence and investigation, and not on any information or document provided by or through Seller or its representatives or agents, in acquiring the Property. The Buyer acknowledges that it is purchasing the Property AS IS, with all faults and without any representations or warranties, express or implied, of any kind or nature, including any representation or warranty of fitness for a particular purpose, except as provided herein.

14. Buyer's Representations and Warranties. In addition to any express agreements of the Buyer contained herein, 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 herein and to consummate the transactions contemplated herein.

(b) All requisite action (corporate, trust, partnership, government or otherwise) has been taken by the Buyer in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated herein. No further consent of any 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 herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions contemplated, nor compliance with the terms of this Agreement and the documents referred to herein, conflicts with or will 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 Buyer is a party.

(f) Buyer's representations and warranties contained herein shall be true and correct as of the date of this Agreement and as of the Closing Date, with the same force and effect as if remade by the Buyer in a separate certificate at that time. The Buyer's representations and warranties contained herein shall survive the close of escrow for the period identified in Paragraph 23(c), and shall not merge into the deed and the recordation of the deed in the official records.

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 portion of the Property is damaged or destroyed by fire or other casualty prior to the time of closing, Buyer, at Buyer's sole option, may elect either (i) to terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to closing, or (ii) to complete the purchase of the Property with the Purchase Price being reduced by an amount equal to the fair market value of the improvements or Property (or portion thereof) damaged or destroyed.

If any entity having the power of condemnation should decide prior to the time of closing to acquire all or any portion of, or any interest in, the Property, Buyer, at Buyer's sole option, may elect either (i) to terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the time of closing, or (ii) to complete the purchase of the Property with Seller, immediately appointing Buyer its attorney-in-fact to negotiate with said condemning entity as to its interest in the Property and assigning to Buyer at closing all amounts to be awarded for the Property. Seller agrees to provide Buyer, within ten (10) days after Seller's receipt of same but in no event later than the time of closing, written notice of any actual or threatened condemnation proceeding.

16. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and shall be (i) 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; (ii) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications shall be deemed received three (3) days after deposit in the United States mail; (iii) 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 (iv) 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: Jon Legarza
401 N. Dixon St
Portland OR 97227
Fax: (503) 988-5082

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

To Seller: Joe Lyons
State Office Building, LLC
2314 NW Savier St
Portland OR 97210
Fax: () -

To Escrow Holder: Chicago Title Company of Oregon
1211 SW Fifth Ave, Ste 2130
Portland OR 97204
Attention: Patricia Parsons
Fax: (503) -

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

17. 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 necessary or reasonably requested by the other party 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; *provided, that* no party shall be required to take any further action which would cause the party to incur additional cost (other than nominal costs) or be subject to any liability in connection with such cooperation or further action.

18. Entry.

(a) Seller acknowledges that Buyer contemplates undertaking an ALTA survey and Seller agrees and acknowledges Buyer will need full access to Property, upon 24 hours notice to Seller, not to be unreasonably withheld. To accommodate the ALTA survey, Seller agrees, if needed, to make reasonable efforts to modify parking practices at the Property during the time of such survey. Furthermore, Seller acknowledges that Buyer intends to undertake betterments to the Property during a period immediately after closing. Such betterments shall include, but, not be limited to: the roof; heating, ventilation and cooling systems; electrical, mechanical, and plumbing systems; and exterior improvements. Seller shall upon no less than forty-eight (48) hours' advance request by the Buyer reasonably make available to Buyer and its contractors, consultants, or designees, inspection access to the Property for the purpose of scoping and specifying such betterments or any other reasonable purpose for entry onto Property, subject to the rights of any tenancies and commercial best practice.

(b) 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 express warranties and covenants contained here. The Buyer shall, at Buyer's cost, return the Property to its prior condition following any access, inspection or testing. 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, and this obligation to indemnify Seller shall survive closing or termination of this Agreement.

19. 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 the return of 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. The Escrow Holder shall not require the Buyer's written approval as a condition precedent to the disbursement of the Deposit to the Seller.

20. Assignment. Buyer shall have the right, after giving written notice to Seller, to assign its rights and obligations under this 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.

21. Section 1031 Exchange. Seller and Buyer shall have the right to convey all or a portion of the Property in exchange for real property or properties of like kind pursuant to Section 1031 of the Internal Revenue Code, either in a simultaneous exchange or in a deferred exchange. Buyer agrees to cooperate with Seller in effecting such an exchange and, if requested by Seller, Buyer shall execute any exchange agreement reasonably requested by Seller and consistent with the above. Seller agrees to cooperate with Buyer in effecting such an exchange, and if requested by Buyer, Seller shall execute any exchange agreement reasonably requested by Buyer and consistent with this Section. Neither party shall be required to take title to any property or to incur any costs or be subject to any liability whatsoever in connection with such cooperation.

22. Mutual Release.

(a) Release by Seller. In consideration of this Agreement and upon closing and recording of Deed, Seller hereby forever and fully releases Buyer, its successors, representatives, agents and assigns from any and all claims, liability, losses, suits, causes of action, liability, damages, accountings, reckonings, costs and expenses (including but not limited to attorneys' fees), of any kind or nature, arising out of or relating to, directly or indirectly, the Property or the Lease among Seller and Buyer; provided, that, the foregoing release does not extend to and shall not release Buyer from claims arising out of or relating to a breach of Buyer's obligations or representations and warranties under this Agreement.

(b) Release by Buyer. In consideration of this Agreement and upon closing and recording of Deed, Buyer hereby forever and fully releases Seller, its successors, owners, managers, representatives, agents and assigns from any and all claims, liability, losses, suits, causes of action, liability, damages, accountings, reckonings, costs and expenses (including but not limited to attorneys' fees), of any kind or nature, arising out of or relating to, directly or indirectly, the Property or the Lease; provided, that, the foregoing release does not extend to and shall not release Seller from claims arising out of or relating to a breach of Seller's obligations or representations and warranties under this Agreement.

23. 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. All of the representations and warranties set forth in this Agreement shall constitute continuing representations and warranties, shall be deemed to be true and correct as of the date of closing of the Buyer's purchase of the Property from the Seller with the same force and effect as if remade by the parties in a separate certificate on the Closing Date, and shall (along with all indemnification, defense and hold harmless obligations related thereto and miscellaneous provisions governing the construction or enforcement of this Agreement) survive the closing of the Buyer's purchase of the Property from the Seller for a period of one (1) year.

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

(e) Attorneys Fees. In the event a party to this Agreement brings any action or suit against another party of 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 the event of any such action or suit, each party shall be responsible for its own costs and expenses arising from the action or suit, including 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 Letter of Intent dated June 2, 2016 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 agreement of the parties or their agents 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 is of the 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 of this Agreement.

(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. Pacific Time on the date specified.

24. Governing Law; Venue. 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 the event of litigation, exclusive venue shall lie in Multnomah County, Oregon.

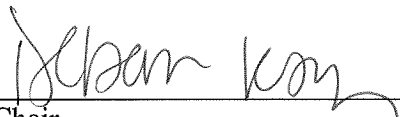
THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

(Signature lines follow on the next page)

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

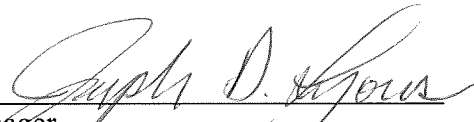
BUYER:

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

By: 
Its: Chair _____
Date of Execution: 9/29/16


SELLER:

STATE OFFICE BUILDING, LLC

By: 
Its: Manager _____
Date of Execution: 9/23/16

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: 
Courtney Lords, Assistant County Attorney

CHICAGO 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.

CHICAGO TITLE INSURANCE
COMPANY

/s/ _____
By: _____
Title: _____

EXHIBITS ATTACHED

EXHIBIT A

Property Description

A tract of land in the Northeast quarter of Section 3, Township 1 South, Range 2 East of the Willamette Meridian, in the County of Multnomah and State of Oregon, described as follows:

BEGINNING at the intersection of the South line of Lot 1, Block 1, PATRICIA ADDITION with the West line of S.E. 122nd Avenue (Road No. 2254-90); thence West along the South line of Lots 1, 2, 3, and 4, in said Block 1, a distance of 250 feet to the Northeast corner of Lot 6 in said Block 1; thence South along the East line of Lots 6, 7, and 8 in said Block 1, a distance of 204.5 feet to a point in the North line of that tract conveyed to Hallie R. Kibler, et ux, by Deed recorded April 9, 1951, in PS Deed Book 1469, Page 423; thence East along said North line 250 feet to the West line of S.E. 122nd Avenue; thence North along said West line 204.5 feet to place of beginning.

TOGETHER WITH an easement for common driveway as set forth in document recorded November 6, 1978, in Book 1307, Page 742.

PARCEL II:

A tract of land in the Northeast quarter of Section 3, Township 1 South, Range 2 East of the Willamette Meridian, in the County of Multnomah and State of Oregon, more particularly described as follows:

BEGINNING at a point in the East line of Lot 12, Block 1, PATRICIA ADDITION, which is 9 feet South of the Northeast corner thereof; thence North along the East line of Block 1, PATRICIA ADDITION, 9.0 feet to the Southeast corner of Lot 11, said Block 1; thence West along the South line of said Lot 11, 70 feet to a point; thence North along a line parallel to the East line of said Block 1 and along the East line of Lots 9 and 8 of said Block 1, 215 feet to a point in the North line of that certain tract conveyed to Hallie R. Kibler and Florian L. Kibler, husband and wife, in Deed recorded April 9, 1951, in PS Deed Book 1469, Page 423; thence East along the North line of said Kibler Tract, 250 feet to a point in the West line of S.E. 122nd Avenue; thence South along the West line of S.E. 122nd Avenue, 224 feet to a point; thence West to the point of beginning.

TOGETHER with an easement for common driveway as set forth in document recorded November 6, 1978, in Book 1307, Page 742.

EXHIBIT B

EARNEST MONEY NOTE

\$45,000.00

Sept 28, 2016

The undersigned promises to pay to the order of STATE OFFICE BUILDING, LLC, an Oregon limited liability company ("Holder"), to be deposited in escrow at Chicago Title Company of Oregon, 1211 SW Fifth Avenue, Suite 2130, Portland, OR 97204 [Attention: Patricia Parsons, Escrow Agent] the sum of **Forty Five Thousand and no/100s Dollars (\$45,000.00)**, as and for earnest money in connection with the purchase of property located in Multnomah County, Oregon as more particularly set forth in the AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS, dated as of the date hereof ("Agreement"), wherein the undersigned is Buyer and Holder is Seller.

This note is due and payable on or before October 7th, 2016, unless the Agreement is terminated prior to that date in accordance with the terms of this Agreement.

If this note is placed in the hands of an attorney for collection, the undersigned promises and agrees to pay Holder's reasonable attorneys' fees and collection costs even though no suit or action is filed hereon, and if suit or action is filed, the prevailing party shall be entitled to receive from the losing party the amount of such reasonable attorneys' fees and collection costs as fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard, or decided.

Multnomah County,
an Oregon political subdivision

By: 

Deborah Kafoury, Chair
Board of County Commissioners

EXHIBIT C

Form of Deed

EXHIBIT D

Form of Lease Assignment

EXHIBIT E

Form of Tenant Estoppel Certificate

EXHIBIT F

Form of General Assignment

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

FROM: STATE OFFICE BUILDING, LLC,
an Oregon limited liability company

(“Assignor”)

TO: MULTNOMAH COUNTY,
a political subdivision of the State of Oregon

(“Assignee”)

DATED: _____, 2016.

1. For good and valuable consideration, Assignor assigns and transfers to Assignee all right, title and interest of Assignor in and to the service agreements (the “Contracts”), described on **Exhibit A** attached hereto, which relate to the real property located at 1245 and 1415 SE 122nd Avenue, Portland, Oregon (“Property”). Complete copies of the Contracts, together with all amendments thereto, have been delivered to Assignee prior to the execution and delivery of this Assignment and Assumption of Contracts (“Assignment”).

2. Except as expressly provided in this Assignment and the Agreement of Purchase and Sale (“Agreement”) between Assignor and Assignee dated _____, 2016, Assignor makes no representation or warranty regarding the Contracts. Assignor represents to Assignee that:

2.1. Assignor has the right to make this assignment and transfer; and

2.2. Assignor has not made or executed any prior assignment or transfer of, nor encumbered Assignor’s interest in, any of the Contracts.

3. Assignee reserves the right to unilaterally cancel any Contract at any time upon thirty (30) days written notice.

4. Assignee assumes and agrees to perform and observe all obligations of Assignor provided in the Contracts and by Oregon law from the Closing Date and thereafter, and agrees to indemnify, defend and hold harmless Assignor with respect to such obligations as shall arise or accrue on or after the date that title to the Property is conveyed to Assignee by recordation of a deed pursuant to the Agreement, unless Contract is cancelled in accordance with Paragraph 3 above.

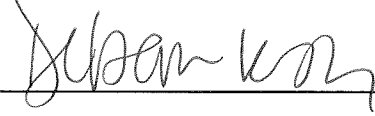
[Signatures appear on the following page.]

EXECUTED by the undersigned or their duly authorized agents as of the date first set forth above.

STATE OFFICE BUILDING, LLC

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

By: _____
Joseph D. Lyons, Manager

By: , Chair

ASSIGNOR

ASSIGNEE

EXHIBIT G

Form of Tenant Notification Letter

EXHIBIT H

Buyer's Documents