

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

In the Matter of the Sale of Surplus)
County Land at the Multnomah County)
Farm in Sections 26 and 35, Township 1)
North, Range 3 East, W.M., Troutdale,)
Multnomah County, Oregon.)

O R D E R
92-83

It appearing that the real property consisting of approximately ninety acres of land and described in the REAL ESTATE PURCHASE AGREEMENT before the Board this date is surplus to the needs of Multnomah County and is zoned by the City of Troutdale for General Commercial and Open Space uses only, thus is suitable for commercial use and constitutes an industrial facility as defined by ORS 271.510; and

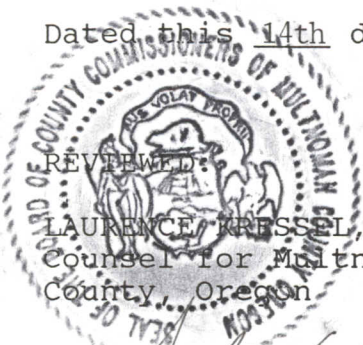
It appearing that GSL Homes Inc., an Oregon Corporation, has offered to purchase the said real property for the sum consisting of \$23,000.00 per acre for land which will be approved by the City of Troutdale for development for single family residential use and \$30,000.00 per acre for land which will be approved for development for multi family residential and commercial uses; and

It appearing that said offer price is within the fair market value as determined by independent appraisal and appraisal by Multnomah County; and

It appearing that the sale will benefit Multnomah County and the Board being fully advised in the matter:

It is ORDERED that Multnomah County execute this REAL ESTATE PURCHASE AGREEMENT before the Board this date and any deeds or other documents required for completion of this sale and that the County Chair be, and she is hereby, authorized and directed to execute the same on behalf of Multnomah County.

Dated this 14th day of May, 1992.



By

John L. DuBay

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

By

Gladys McCoy
County Chair

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 1992, by and between Multnomah County ("Seller"), and GSL Homes, Inc., an Oregon corporation and/or its assigns ("Buyer").

ARTICLE I

AGREEMENT TO SELL AND PURCHASE; PURCHASE PRICE

1.01 Agreement to Sell and Purchase. Seller is the owner of that certain real property consisting of approximately 90 acres of land located in Multnomah County, Oregon and more particularly described on Exhibit "A" attached hereto (the "Property"). Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller the Property (which may be in one or more parcels) to be designated and described in Buyer's Survey (as hereinafter defined), for the consideration and subject to the terms and conditions set forth in this Agreement.

1.02 Purchase Price. The purchase price to be paid by Buyer to Seller for the Property (the "Purchase Price") shall be equal to the product obtained by multiplying (i) \$23,000.00 times the Net Area (as hereinafter defined) of all portions of the Property zoned for single-family residential use, as determined by the Survey, less Offsite Costs (as defined below), and (ii) \$30,000 times the Net Area of all portions of the Property zoned for multi-family or commercial use.

(a) Purchase Price Net of Offsite Land Requirements. Any portion of the Property required by the State of Oregon for the proposed Mount Hood Parkway or by the City of Troutdale for parks, as a condition to Buyer's development of the Property ("Offsite Land Requirements"), shall not be included in this sale, but shall be handled by separate transactions between Seller and the State and City, respectively, Seller shall execute such transactions in such manner and at such time or times as shall allow Buyer to comply with any such requirements imposed by the State and the City.

(b) Payment of Purchase Price. Buyer shall pay to Seller, through the Escrow Agent (as hereinafter defined), the entire Purchase Price for the portion of the Property then being purchased at the Closing of such purchase.

1.03 Phased Purchase. Buyer shall have the right to purchase the Property in installments during the period (the "Contract Period") commencing on the Initial Closing Date and ending on the fifth anniversary of the Initial Closing Date, unless extended, as provided below. However, if Buyer does not close the purchase of a minimum of 20% of the original acreage of the Property within each of the five twelve-month periods commencing with the Initial Closing Date and the first, second, third and fourth anniversaries thereof, respectively (each of which shall be referred to herein as a "Contract Year"), then this Agreement shall expire on the last day of such Contract Year, and Buyer shall forfeit whatever portion of the Earnest Money that then remains in escrow. For example, if Buyer fails to purchase a minimum of 20% of the original acreage of the Property between the second and third anniversaries of the Initial Closing Date, then the Agreement would automatically expire on the third anniversary of the Initial Closing Date at 12:00 a.m. local time. Additional closing dates shall be established between the parties for purchases of subsequent phases.

(a) One-Time Extension. Notwithstanding the provisions set forth above governing the expiration of this Agreement, Buyer may, one time only, and only during the fifth and last Contract Year, extend the Contract Period for one year, by paying to Seller, through the Escrow Agent, an extension fee of Ten-Thousand dollars (\$10,000.00) in non-refundable cash prior to the fourth anniversary of the Initial Closing Date, and giving notice to Seller of its election to so extend the Contract Period, provided that Buyer has, by the time of the fourth anniversary of the Initial Closing Date, closed the purchase of at least 80% of the Property, measured by Net Area. Such extension fee shall be credited to Buyer at the closing of the remainder of the Property.

(b) Purchase Price. The Purchase Price for the Property purchased after the Initial Closing Date and during the Contract Period shall be calculated in the same manner set forth in Section 1.02 for the calculation of the Purchase Price for the Property and shall be payable in the same manner set forth in Section 1.02 (b); provided however, that the Purchase Price will increase above the Purchase Price in the same proportion that the Consumer Price Index entitled "U.S. City Average, All Items, All Urban Consumers, 1982-84 = 100" ("CPI") increases between the month in which the Initial Closing Date occurs and the month in which occurs the closing date for the portion of the Property then being closed.

1.04 Earnest Money. Within five (5) business days of the date this Agreement is executed by all parties (the "Date Hereof"), Buyer shall deposit with Escrow Agent, together with a copy of this Agreement, Buyer's promissory note payable to Seller in the amount

\$50,000, as earnest money to bind this sale (the "Earnest Money"). At the Initial Closing, Seller shall replace the \$50,000 note with \$40,000 cash to be deposited in an interest-bearing account with the interest accrued thereon to be considered Earnest Money as well. At each subsequent closing, \$10,000 of the Earnest Money shall be applied to the Purchase Price and the remainder shall remain in escrow. In the event Seller becomes entitled to the remaining Earnest Money due to Buyer's default, as set forth in Article IV, Escrow Agent shall release the same to Seller.

ARTICLE II

CONTINGENCIES TO BUYER'S OBLIGATIONS

The performance of Buyer hereunder is conditioned upon both of the following contingencies being satisfied within three (3) months after the Date Hereof (the "Contingency Period"):

2.01 Preliminary Plat Approval. Buyer shall have obtained, within the Contingency Period, preliminary plat approval by City of Troutdale of Buyer's proposed plat and development plan for the Property with all appeal periods expired ("Preliminary Plat Approval").

(a) Seller's Survey. Seller will cause to be prepared a current, on-the-ground survey of the Land, prepared by Multnomah County Surveyors (the "Seller's Survey"). The Seller's Survey shall:

(i) Designate the corners of the Land upon the ground and contain an accurate legal description thereof by metes and bounds; and

(ii) Set forth the gross area of the Land, reduced by rights-of-way granted or required to be granted in connection with Offsite Improvements (as known at the time Seller's Survey is made)("Net Area"); and

(b) Buyer's Survey. In preparing its application for Preliminary Plat Approval of the Property, Buyer shall cause to be prepared a current, on-the-ground survey of the Property, prepared by a licensed surveyor ("Buyer's Survey"). Buyer's Survey shall:

(i) Contain an accurate legal description of the Property (which may be in one or more parcels) by metes and bounds;

(ii) Set forth the Net Area of the Property; and

(iii) Control the Property description to be included in the deed at Closing.

(c) Extension of Contingency Period. Buyer shall use its best efforts, diligently applied, to obtain Preliminary Plat Approval within the Contingency Period. If Buyer is unable to do so due to the processing times by governmental authorities or appeals of approvals obtained, then Buyer may extend the Contingency Period until Preliminary Plat Approval is obtained or appeals thereof have been resolved in Buyer's favor, provided Buyer continues to diligently pursue the same.

2.02 Financing Contingency. Buyer, within the Contingency Period, shall have obtained a commitment for financing to develop the Property upon terms reasonably satisfactory to Buyer. Buyer shall exercise its best efforts to obtain such financing within the Contingency Period. Buyer shall have no right to extend the Contingency Period to obtain financing.

2.03 Title. Buyer shall have two weeks after the Date Hereof to cause a preliminary title report covering the Property to be prepared by the Escrow Agent and to examine the condition of title to the Property and notify Seller of any objections to any exceptions to title shown therein. Failure to notify Seller of any objections to such exceptions within such time shall be deemed approval by Buyer of any such exceptions to which Buyer fails to object.

2.04 Effect of Non-Fulfillment of Contingencies. If both the contingencies described in Sections 2.01 and 2.02 are not fulfilled within the Contingency Period, the Buyer, at Buyer's sole option, may either waive any such unfulfilled contingency and close the purchase of the Property or terminate this Agreement by written notice to Seller.

ARTICLE III

THE CLOSING

3.01 Closing. Provided that all of the terms and conditions of this Agreement will have been fulfilled prior to or on the Initial Closing Date, the closing of title to the first phase of the Property pursuant to the terms and conditions of this Agreement (the "Initial Closing") shall take place at the office of First American Title Insurance Company of Oregon ("Escrow Agent") in Portland, Oregon, on a date (the "Initial Closing Date") on or before thirty (30) days after the earlier of (i) the satisfaction of both the contingencies described in Sections 2.01 and 2.02 hereof, or (ii) the expiration of the Contingency Period. Closings of subsequent phases of the Property, pursuant to the terms and conditions of this Agreement shall be on dates mutually acceptable to Buyer and Seller, within the time periods set forth in Section 1.03.

3.02 Seller's Obligations at the Closings. At any Closing, Seller shall:

(a) Execute and deliver to Buyer a statutory form bargain and sale deed containing a metes-and-bounds description of the Property prepared in accordance with the Survey;

(b) Cause an owner's title insurance policy (the "Title Policy") to be issued to Buyer by the Escrow Agent insuring marketable title in fee simple to the Property in Buyer, with exceptions only for the standard printed exceptions, utility easements, other public easements required as a condition of the preliminary plat approval described in Section 2.01, and any liens securing Buyer's financing and any other exceptions to title that Buyer may approve in the manner set forth in Section 2.03 (collectively, the "Permitted Exceptions"); and

(c) Execute and deliver any and all other documents as may be reasonably necessary to consummate the transaction contemplated hereby and to carry out Seller's obligations hereunder.

3.03 Buyer's Obligations at the Closings. At any Closing, Buyer shall:

(a) Pay the Seller the Purchase Price due at Closing in the manner set forth in Section 1.03; and

(b) Execute and deliver any and all other documents as may be reasonably necessary to consummate the transaction contemplated hereby and to carry out Buyer's obligations hereunder.

3.04 Closing Costs. Costs of closing the transaction contemplated hereby shall be allocated between Seller and Buyer as follows:

(a) Seller shall pay:

(i) The premium for the Title Policy,

(ii) Prorated ad valorem taxes,

(iii) One-half of any escrow fees or similar charges of the Escrow Agent, and one-half of any applicable real property transfer taxes, and

(iv) Real estate commission described in Section 5.09.

(b) Buyer shall pay:

(i) The costs (exclusive of any transfer or similar taxes) of recording the warranty deed and any other conveyance documents that Buyer may choose to record, and

(ii) One-half of any escrow fees or similar charges of the Escrow Agent, and one-half of any applicable real property transfer taxes.

(c) All other expenses incurred by Seller or Buyer with respect to the Closing, including, but not limited to, attorneys' fees of Seller and Buyer, shall be borne and paid exclusively by the party incurring the same.

ARTICLE IV

DEFAULT

4.01 Buyer's Default; Seller's Remedies; Liquidated Damages. If Buyer fails to perform its obligations hereunder within the time provided herein for any reason other than Seller's default, Buyer

shall be deemed to be in default hereunder, and Seller shall be entitled to terminate this Agreement and receive the Earnest Money as liquidated damages, and as Seller's only remedy, the parties agreeing that the Earnest Money represents the parties' best estimate of the damages to be suffered by Seller in the event of Buyer's breach, it being impossible for the parties to determine Seller's actual damage in the event of such breach. Thereupon, this Agreement shall be null and void, and all obligations hereunder imposed upon either party shall cease and terminate.

4.02 Seller's Default; Buyer's Remedies. If Seller shall fail to meet, comply with or perform any covenant, agreement or obligation required of Seller within the time limits and in the manner required by this Agreement for any reason other than Buyer's default, or any representation or warranty of Seller has been breached on the Closing Date, Seller shall be deemed to be in default hereunder, and Buyer may terminate this Agreement by written notice delivered to Seller on or before the Closing Date, upon which delivery Buyer shall be entitled to promptly receive the Earnest Money from Escrow Agent. In addition, Buyer shall have any and all other remedies available to it at law or in equity, including, without limitation, the right to enforce specific performance against Seller.

4.03 Return of Earnest Money. If either party hereto becomes entitled to the Earnest Money as liquidated damages or upon termination of this Agreement in accordance with its terms, Buyer and Seller will deliver a letter of instruction to the Escrow Agent directing the disbursement of the Earnest Money to the party entitled thereto. If either party hereto fails or refuses to sign or deliver such an instruction letter when the other party is entitled to disbursement of the Earnest Money, then the party so failing or refusing to sign or deliver such letter shall pay, upon a judicial determination such other party is entitled to a disbursement of the Earnest Money, reasonable attorneys' fees incurred by the party so entitled to the Earnest Money in connection with its recovery thereof.

ARTICLE V

GENERAL

5.01 Parties Bound. The terms and provisions of the Agreement shall inure to, extend to and be for the benefit of the

heirs, successors, assigns and legal representatives of the respective parties hereto. This Agreement may not be assigned by Buyer without Seller's prior consent, which consent shall not be unreasonably withheld if the assignment is to an entity that is an affiliate of Buyer.

5.02 Entire Agreement; Modifications. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

5.03 Headings. The headings contained in this Agreement are for reference and convenience purposes only and shall not in any way affect the meaning or interpretation hereof.

5.04 Interpretation. Whenever the context hereof shall so require, singular shall include the plural, the male gender shall include the female gender and the neuter and vice versa. The terms "include", "includes", "including" and similar terms shall be construed to mean "without limitation". All references to Sections, subsections, Exhibits and Articles shall be deemed references to Sections, subsections and Articles of this Agreement and to Exhibits which are attached hereto and made a part hereof for all purposes.

5.05 Notice. Any notice, demand, approval or disapproval, consent or submission for approval or consent permitted or required hereunder (hereinafter, collectively, any "Notice") shall be in writing, and any such Notice shall be sent to the Seller or Buyer by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Seller: Multnomah County
 Wayne George
 Director, Facilities & Property Mgmt.
 2505 S.E. 11th
 Portland, Oregon

To Buyer: GSL Homes, Inc.
 2164 S.W. Park Place
 Portland, Oregon 97205
 Attn: David K. Bell

or the same may be delivered by messenger at the same address or, if the same is a post office box, the last known address of the addressee. In the event such Notice is given or delivered by messenger delivery, the date of actual delivery shall fix the time thereof. In the event Notice is given or delivered by registered or certified mail, such Notice shall be deemed given or delivered five (5) business days after the date on which the sealed envelope containing the Notice is deposited in the United States mail, properly addressed and with proper postage required.

5.06 Additional Acts. In addition to the acts and deeds recited herein and contemplated hereunder to be performed, executed and/or delivered by Seller or Buyer, Seller and Buyer hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or thereafter, any and all such further acts, deeds and assurances as Buyer or Seller, as the case may be, may reasonably require to evidence and vest in Buyer the ownership of and title to the Property and consummate the transactions contemplated hereunder. This covenant shall survive Closing and delivery of the deeds.

5.07 Applicable Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Oregon.

5.08 Jurisdiction. Each of the parties to the Agreement hereby irrevocably submits in any suit, action or proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement to the jurisdiction of the United States District Court for the District of Oregon and the jurisdiction of any court of the State of Oregon, and waives any and all objections to jurisdiction that such party may have under the laws of the United States of America or the State of Oregon.

5.09 Broker's Commissions. Buyer and Seller each represent to the other that they have dealt with only Norris, Beggs & Simpson. Seller and Buyer will each indemnify the other against claims for any other brokers claiming commission through or by either of them. Seller shall pay all commissions due to Norris, Beggs & Simpson with regard to this transaction.

5.10 Authority. All parties to this Agreement warrant and represent they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such person, and that all formal requirements necessary or required by any state and/or federal law in order for Seller to enter into this Agreement have been complied with fully.

5.11 Attorneys' Fees. In the event that either party will employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interests in any manner arising under this Agreement, or to recover damages for the breach of this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

5.12 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each such counterpart is to be deemed an original for all purposes, and all such counterparts will collectively constitute one agreement, but in the making proof of this Agreement it will not be necessary to produce or account for more than one such counterpart.

5.13 Time of the Essence. Time is of the essence in this Agreement.

5.14 Severability. If any provision of this Agreement will, for any reason, be held violative of any applicable law, and so much of this Agreement is held to be unenforceable, then the invalidity of such specific provision herein will not be held to invalidate any other provision herein which will remain in full force and effect.

5.15 Agreement as Offer. The execution of this Agreement by the first party to do so constitutes an offer to purchase or sell the Property and the subsequent execution of the Agreement with changes to the Agreement constitutes a counteroffer to purchase or to sell the Property. Unless within five (5) working days from the date of execution or last initialing of this Agreement by the party making an offer or counteroffer, this Agreement is executed by the other party and a fully-executed copy is delivered to and accepted by the Escrow Agent, the offer of this Agreement will be null and void and withdrawn, and the Earnest Money, if any, will be refunded to Buyer.

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement in multiple originals.

Date: _____, 1992 SELLER:

MULTNOMAH COUNTY

By: _____

Gladys McCoy

RATIFIED
Multnomah County Board
of Commissioners

R-6 May 14, 1992

Title: Multnomah County Chair

REVIEWED

By _____

MULTNOMAH COUNTY COUNSEL

Date: 4-30, 1992 BUYER:

GSL HOMES, INC.,
an Oregon corporation

By: _____

Michael A. Nelson,
President

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