

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 05-170

Approving the Sale of the Medical Examiners Building Located at 301 NE Knott, Portland to Knott Street Medical, LLC and Authorizing County Chair to Execute Appropriate Documents to Complete the Sale

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 05-045, dated March 31, 2005, the Multnomah County Board of Commissioners authorized the sale of the Medical Examiners Building, ("Property"), located at 301 NE Knott Avenue, Portland, Oregon.
- b. The Facilities and Property Management Division commenced sale of the property through a Request For Proposals (RFP) process. An RFP, dated April 18, 2005, was issued with a response deadline of May 31, 2005. Two responses were received. Facilities and Property Management Division ("Facilities") determined that the Property had been insufficiently exposed to the market. The RFP was re-issued July 11, 2005, with a response deadline of September 9, 2005.
- c. The RFP included the following "Selection Criteria": Proposers were to offer a price in cash or to propose terms. The RFP provided that cash offers were preferred. Proposers were required to provide evidence of neighborhood support for the purchase by the proposer. The RFP required each proposer to identify the proposed use of the property and to state how the use would contribute to the community.
- d. Five proposals were received by the September 9, 2005 deadline. Each of the proposers was allowed the opportunity to supplement their proposal by September 22, 2005. Facilities has reviewed all the proposals. All proposers substantially addressed the Selection Criteria:
 - i. Cascade Commercial Real Estate proposes Knott Street Commons, a 40-unit residential development with live/work units on a cleared site. The purchase price is \$850,000.
 - ii. Chaos Theatre proposes converting the existing building into the Northeast Portland Arts Center, with residential development on 40% of the site. The purchase price is \$600,000, \$591,500 net of commission.
 - iii. Knott Street Medical, LLC proposes converting the existing building into a multi-physician medical clinic. The purchase price is \$1,200,000, \$1,128,000 net of commission.

- iv. Kaiser Group, Inc., proposes converting the existing building into a multi-use facility serving a 33-unit, surrounding town home development. The purchase price is \$800,000.
- v. The Native America Youth and Family Center proposes converting the existing building into a service center and administration, with a later structure providing additional social service space and parking. The purchase price is \$500,000.
- e. Facilities has reviewed the proposals, including purchase price, use, neighborhood support, and community contribution. Facilities recommends the sale of the Property to Knott Street Medical, LLC for \$1,200,000.

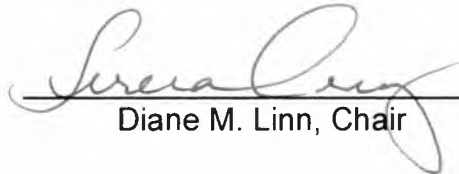
The Multnomah County Board of Commissioners Resolves:

1. It is in the best interests of the County to sell the Property to Knott Street Medical, LLC for \$1,200,000. The Chair is authorized to approve terms of the sale substantively consistent with the attached Sale Agreement and to execute all appropriate documents necessary to complete the transaction.
2. All net proceeds derived from the sale shall be deposited in the County Capital Improvement Fund #2507 to be used for deferred maintenance on County owned properties.

ADOPTED this 6th day of October, 2005.

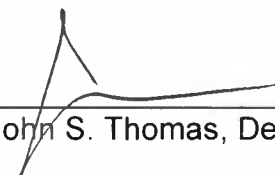


BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
John S. Thomas, Deputy County Attorney

**FINAL AGENCY ACKNOWLEDGMENT**

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction:

(1) **Bernie Gehret** (Name of Selling Licensee) of **NorthStar Realty Advisors, LLC**
(Name of Real Estate Firm) is the agent of (check one): ☐ The Buyer exclusively. ☐ The Seller exclusively ("Seller Agency"). ☒ Both the Buyer and the Seller ("Disclosed Limited Agency").

(2) **Bernie Gehret** (Name of Listing Licensee) of **NorthStar Realty Advisors, LLC**
(Name of Real Estate Firm) is the agent of (check one): ☐ The Seller exclusively. ☒ Both the Buyer and the Seller ("Disclosed Limited Agency").

(3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and the Licensees are supervised by the same principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Licensee(s).

Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final Agency Acknowledgment shall not constitute acceptance of the Agreement or any terms therein.

Buyer _____ Print **Knott Street Medical, LLC** Date _____ ←

Buyer _____ Print _____ Date _____ ←

Seller _____ Print _____ Date _____ ←

Seller _____ Print _____ Date _____ ←

COMMERCIAL REAL ESTATE SALE AGREEMENT

This Agreement is intended to be a legal and binding contract.
If it is not understood, seek competent legal advice before signing.

1. DEFINITIONS: All references in this Agreement to "Licensee" and "Firm" shall refer to Seller's and Buyer's real estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated. The Licensee(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be applicable in Sections 32, 33, 36 and 39 below. Unless otherwise provided herein: (1) Time calculated in days after the date Seller and Buyer have signed this Agreement shall start on the first full business day after the date that the last party has signed accepting this Agreement, including counteroffer(s), if applicable; (2) Written notices required or permitted under this Agreement to be delivered to Seller or Buyer may be delivered to their respective Licensee with the same effect as if delivered to that Seller or Buyer; (3) A "business day" shall mean and include Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020.

2. PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) **Knott Street Medical, LLC**
offers to purchase from Seller (print name(s)) **Multnomah County**
the following described property and all improvements thereon (hereinafter "the Property") situated in the State of Oregon, County of **Multnomah**
and commonly known or identified as (insert street address, city, zip code, tax identification number, and/or lot-block description, etc.) **301 NE Knott Street, Portland, OR**
(Seller and Buyer agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with Section 4, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)
for the purchase price (in U.S. currency) of **A \$1200000.00**
on the following terms: Earnest money herein receipted for **B \$10000.00**
on _____, as additional earnest money, the sum of **C \$** _____
at or before closing, the balance of down payment **D \$110000.00**
at closing and upon delivery of ☒ DEED ☐ CONTRACT the sum of (Lines B, C, D and E should equal Line A) **E \$1080000.00**
Payable as follows (Describe details of any loan(s) to be obtained): **Purchaser to obtain financing at terms and rates acceptable to the Purchaser.**

For additional details, see Addendum _____

3. BUYER REPRESENTATIONS/LOAN CONTINGENCY: As of the date of signing this Agreement, Buyer has sufficient funds available to close this transaction in accordance with the terms proposed herein, and is not relying on any contingent source of funds (e.g. from loans, gifts, sale or closing of property, 401K disbursements, etc.), unless otherwise disclosed in this Agreement.
IF A NEW LOAN IS REQUIRED, THIS TRANSACTION IS SUBJECT TO BUYER AND PROPERTY QUALIFYING FOR THE LOAN AND THE LENDER'S APPRAISAL BEING NOT LESS THAN THE PURCHASE PRICE. Buyer agrees to make written loan application not later than _____ business days (three (3) if not filled in) after the date Seller and Buyer have signed this Agreement, and thereafter complete necessary papers, and exert best efforts, including payment of all application, appraisal and processing fees, in order to procure the loan.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Buyer authorizes lender to provide non-confidential information to Listing and Selling Licensees regarding status of the loan. If Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty insurance that will be secured for the Property.

4. TITLE INSURANCE: Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of the exceptions disclosed on a preliminary title report ("the report") showing the condition of title to the Property. (If not fully understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice. Neither the Listing nor Selling Licensees are qualified to advise on specific legal or title issues.) Upon execution of this Agreement by Seller and Buyer, Seller will, at Seller's sole expense, promptly order the report from an Oregon title insurance company and furnish it to Buyer together with complete and legible copies of all exceptions noted in the report. Upon receipt of the report, Buyer shall have ___ business days (five (5) if not filled in) thereafter within which to notify Seller, in writing, of any matter(s) disclosed in the report which is/are unacceptable to Buyer ("the objections"). Buyer's failure to timely object, in writing, to any exceptions disclosed in the report shall constitute acceptance of those exceptions. Provided, however, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 6 below. If, within ___ business days (five (5) if not filled in) following receipt of the Buyer's objection(s), if any, Seller fails to remove or correct them, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected prior to the closing date, all earnest money shall be promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Within thirty (30) days after closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the purchase price, free and clear of the objections and all other title exceptions agreed to be removed as part of this transaction. So long as doing so shall be at no additional expense or liability to Seller, Seller shall cooperate in all reasonable respects with the delivery to Buyer of an ALTA extended form policy of title insurance and any endorsements requested by Buyer.

5. ADDITIONAL PROVISIONS TO PURCHASE: _____

For additional provisions, see Addendum _____.

6. DEED: Seller shall convey marketable title to the Property by ☐ statutory warranty deed or ☐ _____, free and clear of all liens of record, except property taxes which are a lien but not yet payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property, covenants, conditions and restrictions of record, and those matters accepted by Buyer or agreed to be removed by Seller pursuant to Section 4 above.

7. FIXTURES: Trade fixtures ☐ are, ☐ are not to be left upon the Property as part of the Property being purchased. All other fixtures are to be left upon the Property except the following: _____

8. PERSONAL PROPERTY: The following personal property, in "AS-IS" condition is included as a part of the Property being purchased:

(Attach inventory if necessary). If certain personal property which is to be included as a part of this sale is to have a separately stated value in addition to the Purchase Price, the parties agree to attach a separate exhibit, jointly signed, identifying the stated value(s) of such property within ___ business days (five (5) if not filled in) following the date both parties have signed this Agreement.

9. EXISTING LEASES: The Property ☐ is, ☐ is not, subject to one or more existing leasehold interests, which Seller represents and warrants are current and free from default. If applicable, Seller agrees to deliver complete and legible copies of the written lease(s) to Buyer for review within ___ business days (three (3) if not filled in) following the date Seller and Buyer have signed this Agreement. Seller and Buyer shall have ___ business days (five (5) if not filled in) following Buyer's receipt of all lease(s) within which to reach a signed written agreement with Seller regarding Buyer's approval of the lease(s) and the conditions, if any, under which they will be assumed and/or assigned. In the event such written agreement is not reached within the time provided herein, all earnest money shall be refunded to Buyer and this transaction shall be terminated. This condition is for the benefit of both Seller and Buyer, and may not be waived by either party without the other's written consent.

10. SELLER REPRESENTATIONS: Seller represents that to Seller's actual knowledge, without further investigation or inquiry: (1) Seller has full and complete authority to enter into this Agreement and convey the Property in accordance with the terms hereof; (2) There is no condemnation, environmental, zoning or similar proceeding existing or planned, which could detrimentally affect the use, development, operation or value of the Property. (3) The Property is being operated in full compliance with all laws, order, rules, ordinances, regulations and governmental requirements. (4) Seller has no knowledge of any hazardous substances on the Property other than substances (if any) contained in appliances and equipment. (5) Seller knows of no material structural defects in or about the Property. (6) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including landscaping, if any, will be in substantially its present condition at the time Buyer is entitled to possession. (7) Except as disclosed in writing, Seller has no notice of any liens or assessments to be levied against the Property. (8) Seller has no notice from any governmental agency of any violation of law relating to the Property. (9) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in Section (24) below. (10) Seller agrees to promptly notify Buyer if, prior to closing, Seller receives actual notice of any event or condition which could result in making any previously disclosed material information relating to the Property substantially misleading or incorrect. Exceptions to Items (1) through (10) are: _____

 LINES WITH THIS SYMBOL ◀ REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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Buyer Initials _____	/	_____	Date _____
Seller Initials _____	/	_____	Date _____

Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value, and its suitability for Buyer's Intended use. Neither the Listing nor Selling Licensees shall be responsible for inspecting or conducting any investigation of any aspects of the Property.

11. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This provision shall not be construed to limit Buyer's right to implied new home warranties, if any, that may otherwise exist under Oregon law.

12. INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s), relating to such matters as structural condition, soil condition/compaction, stability, environmental issues, survey, zoning, operating systems, and suitability for the Buyer's intended purpose. Neither the Listing nor Selling Licensees are qualified to conduct such inspections and shall not be responsible to do so. If some or all of the Property includes residential housing, Buyer is encouraged to review the Oregon Property Buyer Advisory at <http://www.oregonrealtors.com> or at <http://www.rea.state.or.us>.

At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more professionals of Buyer's choice. Such inspections shall be at Buyer's sole risk and expense, and may occur at reasonable times following reasonable notice to Seller and, where applicable, to any tenants occupying some or all of the Property under pre-existing rental agreements or leases. Buyer shall indemnify and hold Seller harmless from any and all claims, losses, liabilities or expense, including attorney fees, arising from the entry of Buyer or Buyer's, agents, employees, representatives or contractors. The preceding sentence is expressly intended to survive the closing or termination of this Agreement. Buyer must specifically identify in this Agreement any desired inspections which may include testing or removal of any portion of the Property. Buyer understands that Buyer is responsible for the restoration of the Property to its previous condition for any inspection(s)/test(s) performed by the Buyer or on Buyer's behalf. Buyer shall have _____ business days (ten (10) if not filled in), after the date Seller and Buyer have signed this Agreement, (hereinafter "the Inspection Period") in which to give Seller or Listing Licensee written notice of termination of this transaction based upon Buyer's dissatisfaction with any of the inspections conducted during the Inspection Period, in which case, all earnest money shall be promptly refunded to Buyer and this transaction shall be of no further binding effect. Upon such termination, Buyer shall promptly provide a copy of all reports to Seller if requested by Seller. If Buyer fails to provide Seller or Listing Licensee with written disapproval of any inspections by Midnight of the final day of the Inspection Period, Buyer shall be deemed to have accepted the condition of the Property.

13. LEAD-BASED PAINT INSPECTION: Subject to certain limited exclusions, if the Property includes a residential structure that was constructed before 1978 (hereinafter "Target Housing"), a Lead-Based Paint Disclosure Addendum (hereinafter "the Disclosure Addendum") shall be signed by Seller, Buyer and Listing and Selling Licensees, and made a part of this Sale Agreement. If the Property includes Target Housing, and Buyer intends to conduct a lead based paint assessment or inspection, it should be included as a contingency in this transaction.

14. ESCROW: This transaction shall be closed at Fidelity National ("Escrow"), a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Seller and Buyer, unless otherwise provided herein.

15. CLOSING: TIME IS OF THE ESSENCE. Closing shall occur on a date mutually agreed upon by Seller and Buyer, but in no event later than November 10, 2005 ("the Closing Deadline"). The terms "closed", "closing" or "closing date" shall mean when the deed or contract is recorded and funds are available to Seller. Seller and Buyer acknowledge that for closing to occur by the Closing Deadline, it may be necessary to execute documents and deposit funds in Escrow prior to that date.

16. POSSESSION: Seller shall remove all personal property (including trash and debris) that is not a part of this transaction, and deliver possession of the Property to Buyer (check one): ☐ by 5:00 p.m. on the closing date; ☐ by _____ a.m. ☐ p.m. _____ days after the closing date; ☐ by _____ a.m. ☐ p.m. on the _____ day of _____. If a tenant is currently in possession of the Property (check one): ☐ Buyer will accept tenant at the closing date; ☐ Seller shall have full responsibility for removal of tenant prior to closing date.

17. PRORATIONS: Prorates for rents, current year's real and personal property taxes, interest on assumed obligations, and other prepaid expenses attributable to the Property shall be prorated as of: (check one) ☐ the closing date; ☐ date Buyer is entitled to possession; or ☐ _____

18. SELLER'S DOCUMENTS TO BE DELIVERED TO BUYER: (Check one) ☐ Seller has previously delivered to Buyer copies of all documents containing material information about the Property that Seller has in Seller's possession or control including but not limited to documents and records relating to the ownership, operation and maintenance of the Property (hereinafter "Relevant Business Documents"). ☐ Seller agrees that within _____ business days (ten (10) if not filled in) following the date Seller and Buyer have signed this Agreement, Seller will deliver to Buyer Relevant Business Documents. In addition to the Relevant Business Documents, Seller shall, within the same period as provided in this Section 18, deliver to Buyer the following additional information: _____

19. UTILITIES: Seller shall pay all utility bills accrued to date Buyer is entitled to possession. Buyer shall pay Seller for heating fuel then on premises, at Seller's supplier's rate on the possession date. Payment shall be handled between Buyer and Seller outside of Escrow.

LINES WITH THIS SYMBOL ◀ REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

20. INSURANCE: Seller shall keep the Property fully insured until closing.

21. ESCROW DEPOSIT: Escrow is hereby instructed by Seller and Buyer as follows: (1) Upon your receipt of a copy of this Agreement marked "rejected" by Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon your receipt of a copy of this Agreement signed by Seller and Buyer set up an escrow account and proceed with closing in accordance with the terms of this Agreement. If you determine that the transaction cannot be closed for any reason (whether or not there is then a dispute between Seller and Buyer), you are to hold all earnest money deposits until you receive written instructions from Seller and Buyer as to disposition of such deposits.

22. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller approves this Agreement but fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a waiver of other legal remedies available to Buyer. If Seller approves this Agreement and title is marketable; and (1) Buyer has misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as otherwise allowed under Oregon law, and this transaction shall be of no further binding effect. **It is the intention of the parties that Seller's sole remedy against Buyer for Buyer's failure to close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein.**

23. BINDING EFFECT/ASSIGNMENT: Subject to the following sentence, this Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and Seller. Buyer's interest in this Agreement or in the Property (check one) ☐ are assignable without prior written consent of Seller; ☐ are not assignable without prior written consent of Seller; ☐ are assignable only to an affiliated entity owned or controlled by Buyer without prior written consent of Seller.

24. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT: The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from the Seller's proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of FIRPTA. If Seller is a foreign person as defined by FIRPTA, Seller and Buyer instruct Escrow to take all necessary steps to comply therewith.

25. APPROVED USES: 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, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. 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 APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES. IF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505, ORS 358.515 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.

26. IRC 1031 EXCHANGE: In the event Seller or Buyer elect to complete an IRC 1031 exchange in this transaction, the other party agrees to cooperate with them, and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the close of escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a contingency to the closing of this transaction.

27. LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one) ☐ is ☐ is not specially assessed for property taxes (e.g. farm, forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the closing of this transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of the Seller's actions prior to closing, the Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Seller shall be responsible for and shall pay at or before closing all deferred and/or additional taxes and interest which may be levied against the Property and shall hold Buyer completely harmless therefrom.

28. ADDITIONAL LAND SALE CONTRACT/TRUST DEED/MORTGAGE PROVISIONS: If this transaction is to include a land sale contract, trust deed or mortgage to be carried back by Seller, Buyer and Seller shall agree upon the terms and conditions of such document not later than ___ business days (ten [10] if not filled in) after the date Seller and Buyer have signed this Agreement. Upon failure to reach such agreement within said time period, this transaction shall be terminated, and all earnest money shall be promptly refunded to Buyer.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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Buyer Initials _____	Date _____
Seller Initials _____	Date _____

29. DISPUTE RESOLUTION: Any dispute between Seller and Buyer relating to the interpretation or enforcement of this Agreement (check one) ☐ shall ☐ shall not be subject to the following arbitration provisions. Failure to check a box in this Section 30 shall constitute an election NOT to arbitrate. Seller and Buyer agree that all claims, controversies and disputes, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in accordance with the procedures set forth herein, which shall expressly survive closing or earlier termination of this Agreement. Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract or recorded construction lien or (2) a forcible entry and detainer action (eviction). The filing of a notice of pending action ("lis pendens") or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize arbitration. All Claims shall be submitted to final and binding private arbitration pursuant to Oregon Laws in accordance with the then-existing rules of either Arbitration Service of Portland ("ASP") or, alternatively, any other professional arbitration service that has existing rules of arbitration, provided that the selected alternative service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct the hearing in the county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its conclusion. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. BY CONSENTING TO THIS BINDING ARBITRATION PROVISION YOU ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND YOU ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

30. ATTORNEY FEES: The prevailing party in any suit, action or arbitration between the Seller and Buyer shall be entitled to recovery of all reasonable attorney fees and costs pursuant to ORCP 6B.

31. RECEIPT FOR EARNEST MONEY: The undersigned Selling Firm acknowledges receipt of earnest money (which Selling Firm agrees to handle as provided below) from Buyer in the sum of \$10,000 evidenced by (check one) ☐ CASH ☐ CHECK ☒ PROMISSORY NOTE payable on or before _____; ☒ Other 3 days after mutual acceptance

32. EARNEST MONEY INSTRUCTIONS: Buyer instructs the undersigned Selling Firm to handle the earnest money as follows (check all that apply): ☐ Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter offers, after which time deposit it as provided herein within three (3) banking days. ☐ Deposit it in the Selling Firm's client trust account, and thereafter/or ☐ Deposit with Escrow. ☒ Deposit any earnest money funds redeemed under a promissory note with Fidelity National Title Insurance Company

SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

Selling Firm NorthStar Realty Advisors, LLC Selling Licensee Signature _____

Main Office Address _____ Phone _____ FAX _____

Branch Office Address 4640 SW Macadam Ave Ste 90 Portland OR 97239 Phone 503-972-1900 FAX 503-972-1987

33. PROPERTY DISCLOSURE LAW: Seller and Buyer acknowledge that if this transaction is subject to Oregon's Seller Property Disclosure Law, ORS 105.462 et. seq., unless otherwise waived, Buyer shall have a right to revoke Buyer's offer within five (5) business days from Seller's delivery of Property Disclosure Statement.

34. COUNTERPARTS/DELIVERY: This Agreement may be signed in multiple counterparts with the same effect as if all parties signed the same document. Delivery of a legible photocopy, telefax, carbon or carbonless copy of a signed original of this Agreement shall be treated the same as delivery of the original.

35. AGREEMENT TO PURCHASE: BUYER acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer acknowledges that Buyer has not received or relied upon any oral or written statements, made by Seller or any Licensees, which are not expressly contained in this Agreement. Neither Seller nor any Licensees warrant the square footage of any structure or the size of any land being purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to signing, or should be made an express contingency in this Agreement.

Deed or contract shall be prepared in the name of Knott Street Medical, LLC

This offer shall automatically expire on (insert date) September 28, 2005 at 5:00 ☐ a.m. ☒ p.m., ("the Offer Deadline"), if not accepted within that time.

Buyer may withdraw this offer any time prior to Seller's acceptance before the Offer Deadline. If Seller accepts this offer after the Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two [2] if not filled in) thereafter by so indicating at Section 38 below. This offer may be accepted by Seller only in writing.

Buyer _____ Date _____, _____ a.m. _____ p.m. ←

LINEs WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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Buyer Initials _____	Date _____
Seller Initials _____	Date _____

316 Buyer _____ Date _____ a.m. _____ p.m. ←
 317 Address _____ Zip _____
 318 Phone Home _____ Work _____ Work _____ Fax _____

NO CHANGES OR ALTERATIONS ARE PERMITTED TO ANY PORTION OF THE PRE-PRINTED FORMAT OR TEXT OF THIS FORM. ANY SUCH PROPOSED CHANGES OR ALTERATIONS SHOULD BE MADE ON A SEPARATE DOCUMENT. CHANGES BY SELLER OR SELLER'S AGENT TO THE TERMS OR PROVISIONS ABOVE BUYER'S SIGNATURE SHOULD ALSO BE ON A SEPARATE DOCUMENT

319 This offer was submitted to Seller for signature on the _____ day of _____, _____, at _____ a.m. _____ p.m.
 320 By _____ (Licensee
 321 presenting offer).
 322
 323

324
 325 **36. AGREEMENT TO SELL/PAY COMMISSION:** Seller accepts this offer. At the time of closing, Seller agrees to pay in U.S. dollars to the
 326 Selling Firm or, if this is a co-op transaction, to the Listing Firm, the sum of **\$72,000** for professional real estate services
 327 rendered in this transaction. Seller authorizes Listing Firm to order a preliminary title report and title insurance at Seller's expense and
 328 further authorizes Escrow to pay out of the cash proceeds of sale the expenses of furnishing title insurance, Seller's recording fees,
 329 Seller's closing costs and any encumbrances on the Property payable by Seller on or before closing. Seller is a U.S. citizen unless
 330 otherwise stated herein. **Seller acknowledges receipt of a completely filled in copy of this Agreement, which Seller has fully read**
 331 **and understands.** Seller acknowledges that Seller has not received or relied upon any oral or written statements of Buyer or Licensee(s)
 332 which are not expressly contained in this Agreement. In the event Buyer fails to complete this transaction as provided herein, all earnest
 333 money shall be distributed as follows after deduction of any title insurance and escrow cancellation charges: (check one) ☐ First to the
 334 Listing Firm to the extent of the agreed commission just as if the transaction had been closed, with residue to Seller, ☐ or _____.

335
 336 Seller _____ Date _____ a.m. _____ p.m. ←
 337 Seller _____ Date _____ a.m. _____ p.m. ←
 338 Address _____ Zip _____
 339 Phone Home _____ Work _____ Work _____ Fax _____

340
 341 **37. REJECTION/COUNTER OFFER:**

342 SELECT ONE: ☐ Seller does not accept the above offer, but makes the attached counter offer; ☐ Seller rejects Buyer's offer without a
 343 counter offer.

344 Seller _____ Date _____ a.m. _____ p.m. ←
 345 Seller _____ Date _____ a.m. _____ p.m. ←
 346 Address _____ Zip _____
 347 Phone Home _____ Work _____ Work _____ Fax _____

348
 349 **38. BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's
 350 response is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 35 above, Buyer (select only one) ☐
 351 agrees ☐ does not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance
 352 after the Offer Deadline.)
 353

354 Buyer _____ Date _____ a.m. _____ p.m. ←
 355 Buyer _____ Date _____ a.m. _____ p.m. ←
 356

357 **39. CO-OP TRANSACTION:**

358 Selling Firm **NorthStar Realty Advisors, LLC** Selling Licensee **Bernie Gehret**
 359 Listing Firm **NorthStar Realty Advisors, LLC** Listing Licensee **Bernie Gehret**
 360 Selling Firm to receive: (select one) _____ % of purchase price or \$ _____
 361 Listing Firm Main Office Address _____ Phone _____ FAX _____
 362 Listing Firm Branch Office Address **4640 SW Macadam Ave Ste 90 Portland OR 97239** Phone **503-972-1900** FAX **503-972-1987**
 363 Listing Firm Principal Broker Initials/Date _____ / _____ Selling Firm Principal Broker Initials/Date _____ / _____

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE



Sale Agreement # 05-143
Addendum

PROMISSORY NOTE FOR EARNEST MONEY

Buyer(s) **Knott Street Medical, LLC**

Seller(s) **Multnomah County**

Property Address **301 NE Knott Street, Portland, OR**

Buyer(s): **Knott Street Medical, LLC**

jointly and severally promise to pay to (select only one payee):

☐ Real Estate Firm: _____

☒ Seller(s): _____

the sum of **\$10,000**

1) Upon redemption of this promissory note, funds shall be made payable to **Fidelity National Title Insurance Company**

2) This Note is due and payable (select only one due date):

☒ **3** days after mutual acceptance of the Real Estate Sale Agreement;

☐ on or before _____, _____.

3) If this Note is not paid when due, Buyer(s) shall pay interest at the rate of ten percent (10%) per annum on the unpaid balance from the due date until it is paid in full. **BUYER(S) UNDERSTAND(S) THAT TIME IS OF THE ESSENCE, AND THAT THE FAILURE TO PAY THIS NOTE WHEN DUE, MAY CONSTITUTE A DEFAULT UNDER THE REAL ESTATE SALE AGREEMENT WITH SELLER.**

4) If Real Estate Firm is named as the payee of this Note, and Note is not paid when due, Buyer(s) hereby consent(s) to Real Estate Firm assigning and transferring it to Seller(s) for all purposes including collection.

5) This Note is hereby incorporated into and made a part of the Real Estate Sale Agreement between Seller(s) and Buyer(s). In the event of any dispute between said parties, the mediation, arbitration and attorney fee provisions therein shall expressly apply.

6) If payment is not made on or before the due date, Buyer(s) understand that Principal Broker is instructed by Seller(s) to promptly assign and transfer this Note to Seller(s), without recourse, and for all purposes, including collection. It is expressly understood and agreed that neither Principal Broker nor Principal Broker's Firm, its owners, officers or directors, licensees, employees or representatives shall have any duty (fiduciary or otherwise), responsibility or liability to Seller(s) to enforce collection of the Note, nor for any fees or costs associated therewith.

Buyer _____ Date _____ ← Seller _____ Date _____ ←
Buyer _____ Date _____ ← Seller _____ Date _____ ←

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

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Principal Broker's Initials _____
Date _____

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DISCLOSED LIMITED AGENCY AGREEMENT FOR BUYERS

Property Address 301 NE Knott Street, Portland, OR

Addendum to Buyer Service Agreement Dated _____ Real Estate Firm NorthStar Realty Advisors, LLC

The Parties to this Disclosed Limited Agency Agreement are:

Buyers Agent (print) Bernie Gehret

Buyers Agent's Principal Broker (print) Robert Baumann

Buyer (print) Knott Street Medical, LLC

Buyer (print) _____

The parties to this Agreement understand that Oregon law allows a single real estate agent to act as a disclosed limited agent to represent both the seller and the buyer in the same real estate transaction, or multiple buyers who want to purchase the same property. It is also understood that when different agents associated with the same principal broker (the broker who directly supervises the other agents) establish agency relationships with the buyer and seller in a real estate transaction, the agents' principal broker shall be the only broker acting as a disclosed limited agent representing both seller and buyer. The other agents shall continue to represent only the party with whom they have an established agency relationship, unless all parties agree otherwise in writing.

In consideration of the above understanding, and the mutual promises and benefits exchanged here and, if applicable, in the Buyer Service Agreement, the parties now agree as follows:

1. Buyer(s), acknowledge they have received the Oregon Real Estate Agency Disclosure Pamphlet required by ORS 696.820 and have read and discussed with the Buyers Agent that part of the pamphlet entitled "Duties and Responsibilities of an Agent Who Represents More than One Client to a Transaction." The Oregon Real Estate Agency Disclosure Pamphlet is hereby incorporated into this Disclosed Limited Agreement by reference.

2. Buyer(s), having discussed with Buyers Agent the duties and responsibilities of an agent who represents more than one party to a transaction, consent and agree as follows:

(A) Buyers Agent and the Buyers Agent's Principal Broker, in addition to representing Buyer, may represent the seller or another buyer in any transaction involving the Buyer;

(B) In a transaction where the seller is represented by an agent who works in the same real estate business as the Buyers Agent and who is supervised by the Buyers Agent's Principal Broker, the Principal Broker may represent both Seller and Buyer. In such a situation, the Buyers Agent will continue to represent only the Buyer and the other agent will represent only the Seller, consistent with the applicable duties and responsibilities set out in the Oregon Real Estate Agency Disclosure Pamphlet;

(C) In all other cases, the Buyers Agent and the Buyers Agent's Principal Broker shall represent Buyer exclusively.

Buyer Signature _____ Date _____, _____ a.m. _____ p.m. ←

Buyer Signature _____ Date _____, _____ a.m. _____ p.m. ←

Buyer's Agent Signature _____ Date _____, _____ a.m. _____ p.m. ←

(On their own and on the Principal Broker's behalf)

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

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Principal Broker's Initials _____
Date _____

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