



March 14, 2017

Deborah Kafoury
Chairperson
c/o Philip F. Zimmermann
501 SE Hawthorne Blvd.
Portland, OR 97214

Re: Acquisition and Repurposing of the Wapato Facility

Dear: Ms. Kafoury

Pacific Development Partners, LLC or Assignee ("Buyer") hereby offers to purchase from the Owner the property referred to above and all improvements at the above referenced location in Multnomah County, Oregon ("Property"), upon the following basic terms and conditions:

- 1. Purchase Price:** The purchase price for the Property shall be ten million and 00/100 dollars (\$10,000,000.00), all cash at close of escrow.
- 2. Payment of Purchase Price:** Upon the execution of a Purchase and Sale Agreement by Buyer and Owner, Buyer shall deposit two hundred fifty thousand and 00/100 dollars (\$250,000.00) into escrow ("Deposit") as described in Paragraph 5c below. The balance of the purchase price shall be payable by cashier's check or cash equivalent at closing.
- 3. Closing:** An escrow shall be established with Chicago Title Company, through which the purchase of the Property shall be completed, provided both Buyer and Owner have timely executed a definitive Agreement of Purchase and Sale as provided herein and an one hundred eighty (180) day contingency period has passed, enabling Buyer to review and approve the following in its sole and absolute discretion:
 - a) all zoning and site development issues;
 - b) economic feasibility and review of the documents relating to the Property.

501 SANTA MONICA BLVD., #312
SANTA MONICA, CA 90401
(310) 393-4141
(310) 393-4103 FAX
www.pdpllc.net WEBSITE

30220 RANCHO VIEJO ROAD, #B
SAN JUAN CAPISTRANO, CA 92675
(949) 481-0463
(949) 481-0452 FAX

- c) A complete physical inspection of the Property, including but not limited to termite, dry rot, water and structural issues with the Property;
- d) preliminary title report, along with all underlying documents;
- e) ALTA survey;
- f) soil reports;
- g) hazardous material inspection reports.

The closing shall occur on or before sixty (60) calendar days following said Contingency Period.

4. Contingency Expiration:

Upon expiration of the Contingency Period, should Buyer elect not to continue with the transaction, Buyer's initial deposit will be refunded, less any escrow cancellation fees or costs. Should Buyer elect to continue with the transaction, the initial Deposit shall become non-refundable but applicable to the Purchase Price.

5. Miscellaneous:

- a) At closing, all property taxes, insurance and similar matters shall be prorated as of the close of escrow. All security deposits are to be credited against the cash portion of the Purchase Price;
- b) Escrow fees shall be split equally between Buyer and Owner. Owner shall pay for the costs of recording the grant deed, Owner shall pay for the costs of documentary transfer taxes and Owner shall pay the cost of the CLTA owner's title insurance policy ("CLTA Policy"). Buyer shall pay for the difference between the cost of the CLTA Policy and the cost of an ALTA title insurance policy (ALTA Policy);
- c) Upon execution of the Purchase and Sale Agreement by Owner, Buyer agrees to deposit into escrow a cashier's check or cash equivalent in the amount of two hundred fifty thousand and 00/100 Dollars (\$250,000) ("Deposit").;
- d) In the event any liens or Deeds of Trust encumber the Property, Owner shall pay off such liens and Deeds of Trust at no expense to Buyer prior to the close of escrow;
- e) Buyer herein reserves the right to accomplish a tax-deferred exchange for the purchase of the Property in accordance with the applicable sections of Internal Revenue Service Code

Section 1031, and Owner hereby agrees to cooperate by executing any necessary documents to effectuate said exchange, provided there is no additional cost or expense to Owner;

- f) Brokers: Seller, through and at the close of escrow, shall pay to Philip F. Zimmermann/Oregon First a sales commission equal to six percent (6%) of the Purchase Price.

If the foregoing is in accordance with your client's understanding of the basic terms and conditions upon which the Owners shall sell and the Buyer shall purchase the Property, please have them so indicate on the signature line provided below so that counsel can promptly prepare an Agreement of Purchase and Sale. By signing below, Owners are acknowledging that the foregoing is in accordance with Owners' understanding of the basic terms and conditions upon which the Owners shall sell and the Buyer shall purchase the Property, based upon the terms and conditions set forth herein. This offer shall be effective for a period of one (1) week from the date hereof and unless accepted by such date, shall automatically expire and become null and void.

This Letter of Intent is non-binding until a Purchase and Sale Agreement has been executed.

Very truly yours,

Pacific Development Partners, LLC



Mark T. Burger
Managing Member

ACCEPTANCE

The undersigned hereby accepts the foregoing Letter of Intent to sell the Property upon the terms and conditions set forth above.

By:

Date: