GRESHAM
REDEVELOPMENT COMMISSION

AGENDA ITEM TYPE: DECISION

Approval of Property Acquisitions: 18801 E. Burnside Road and 18901 E. Burnside Road

Meeting Date: September 6, 2016 **Agenda Item Number:** E-1

REQUESTED COMMISSION ACTION

Move to approve the purchase of two adjacent parcels: 18801 E. Burnside Road for $750,000 and 18901 E. Burnside Road for $1,346,500.

PUBLIC PURPOSE AND COMMUNITY OUTCOME

Purchase of these properties will ensure quality redevelopment in the Rockwood Town Center and compliment redevelopment of the adjacent Rockwood Rising Catalyst Site, as well as contribute to the long-term vitality of the Rockwood neighborhood. The proposed acquisitions support the following goals of the Rockwood-West Gresham Renewal Plan: Goal 2, "Improve Rockwood Town Center"; and Goal 8, "Promote Quality Development."

BACKGROUND

The two parcels under consideration for purchase by Gresham Redevelopment Commission (GRDC) are strategically located in the Rockwood Town Center. Taken together, they constitute 2.0 acres in size; making this one of the largest available sites in the Town Center.

Both properties are located to the northeast of the Rockwood Rising Catalyst site, and immediately east of the Rockwood/E 188th MAX light rail station. Due to the site's size and proximity to the Catalyst Site, this proposed acquisition represents an opportunity to add significant new development in the Rockwood Town Center. GRDC ownership of the site would ensure that the site is redeveloped in the future in a manner consistent with the goals of the Renewal Plan and the GRDC.

18801 E. Burnside Road is currently leased by Asia Kitchen Chinese Restaurant. The site is approximately 0.6 acres. The existing building is approximately 3,710 square feet of leasable area.

18901 E. Burnside Road is currently leased by the Rockwood Community Development Corporation for use as the Sunrise Community Center. The site is approximately 1.4 acres with an existing building containing 11,717 square feet of gross leasable area.

Map showing the location of the properties:

18801 E. Burnside Road

Terms of the Transaction:

Following negotiations between the Seller and the GRDC, a Purchase and Sale Agreement (PSA) was executed on August 1, 2016. The terms of the PSA include:

- Purchase price: $750,000;
- Earnest money: $25,000, applicable to purchase price and refundable if Buyer terminates the Agreement before closing;
- Property includes existing month-to-month Lease Agreement with Asia Kitchen;
- Buyer Approval: Purchase must be approved by the GRDC before closing;
- Condition of the Property: As-is, subject to approval by the Buyer (the GRDC) as a result of its due diligence investigations.

Due Diligence

Staff coordinated the following due diligence activities:

- Title Report: GRDC staff and CAO reviewed the preliminary Title Report and determined that there are no significant issues related to the Title;
- Appraisal: Integra Realty Resources, Inc. completed an appraisal of the market value of the property, which concluded the value to be $620,000, which is lower than the agreed

purchase price. The reason for the low appraised value is that the appraiser had a difficult time finding many recent local sales comparables that reflect the current market for properties of the type in Rockwood. Staff is satisfied that the purchase price reflects the true market value, because at the time of our offer, there were three other offers to acquire the property at $680,000, $740,000, and $760,000 respectively, all of which are significantly higher than the appraised value. Our offer was not the highest offer, and the aggregate offer prices are a better indication of the true market value of the property than the appraisal.

- Phase I Environmental Site Assessment: Hart Crowser, Inc. completed a Phase I Environmental Site Assessment summarizing environmental records for the site. No significant issues were identified and a Phase II investigation was not deemed necessary; and

- Building Inspection: Terracon Consultants, Inc. did a physical inspection of the building structure, roof, foundation, building envelope, and mechanical, electrical, and plumbing systems, and found no significant issues with the building systems other than minor repairs needed in the near term for the electrical panel, and recharging of the fire suppression system. Anticipated cost of these repairs is $7,000.

In the course of due diligence, staff identified no significant impediments to acquisition of the site.

18901 E. Burnside Road

Terms of the Transaction:

Following negotiations between the Seller and the GRDC, a Purchase and Sale Agreement (PSA) was executed on August 2, 2016. The terms of the PSA include:

- Purchase price: $1,346,500;
- Earnest money: $25,000, applicable to purchase price and refundable if Buyer terminates the Agreement before closing;
- Property includes existing month-to-month Lease Agreement with the Rockwood Community Development Corporation. They have proposed a three-year lease of the property from GRDC following closing of the purchase to continue operating the facility as the Sunrise Center which will be presented to the GRDC for approval at a later time;
- Condition of the Property: As-is, subject to approval by the Buyer (the GRDC) as a result of its due diligence investigations.

Due Diligence

Staff coordinated the following due diligence activities:

- Title Report: GRDC staff and CAO reviewed the preliminary Title Report and determined that there are no significant issues related to the Title;
- Appraisal – Integra Realty Resources, Inc. completed an appraisal of the market value of the property, which concluded the value to be $1,350,000;
- Environmental Site Assessment – Assessment Associates, Inc. completed both a Phase I and Phase II Environmental Site Assessment summarizing environmental records and performing physical, onsite investigations of the building and soils of the site and discovered no detectable levels of contaminants. Oregon Department of Environmental Quality (DEQ)

issued a “No Further Action Letter” for the site on June 6, 2016, indicating the DEQ is satisfied that the site is clean; and

- Building Inspection: Terracon Consultants, Inc. did a physical inspection of the building structure, roof, foundation, building envelope, and mechanical, electrical, and plumbing systems, and found no significant issues with the building systems other than some deferred maintenance of the roof surface and needed repairs of the kitchen cooler/freezer units. Anticipated cost of these repairs is $10,000-15,000.

In the course of this research, staff identified no significant impediments to acquisition of the site.

Future Redevelopment

In the future and at the direction of the GRDC, staff could develop a plan for redevelopment of the site. This plan would include uses that would complement the Catalyst Site and further the goals of the GRDC, as well as identifying potential development strategies, financing tools, and partnerships that could support a project on the site.

RECOMMENDATION AND ALTERNATIVES

Recommendation: Move to approve the purchase of 18801 E. Burnside Road for $750,000 and 18901 E. Burnside Road for $1,346,500.

Alternatives: GRDC options include:

1. Direct staff to purchase only 18801 E. Burnside Road
2. Direct staff to purchase only 18901 E. Burnside Road.
3. Direct staff not to proceed with either acquisition.

BUDGET / FINANCIAL IMPACT

While not anticipated in the Fiscal Year 2016/17 budget, funds for the acquisition of the two properties would come from a redirection of a portion of the Fiscal Year 2016/17 appropriation for the Catalyst Site project. The five-year Capital Improvement Program (CIP) shows funding for the Catalyst Site in Fiscal Year 2016/17 and Fiscal Year 2017/18 that is adequate to meet all planned obligations and timelines, including these property acquisitions.

PUBLIC INVOLVEMENT

The proposed acquisition was discussed at the GRDC Advisory Committee meeting on August 25, 2016. The Advisory Committee voted to recommend approval of the purchase by GRDC.

NEXT STEPS

Staff will work closely with the City Attorney’s Office and Finance and Management Services Department to complete the purchase of the properties. Closing will be scheduled according to the terms of each Purchase and Sale Agreement. Leases with Asia Kitchen and Rockwood CDC as tenants in each building will be presented to GRDC for consideration at a later date.

ATTACHMENTS

Purchase and Sale Agreement: 18801 E. Burnside Road
Purchase and Sale Agreement: 18901 E. Burnside Road

FROM

Josh Fuhrer, GRDC Executive Director

REVIEWED THROUGH

Eric Chambers, Senior Manager
David Ris, City Attorney
Sharron Monohon, Budget and Financial Planning Director
Bernard Seeger, Finance and Management Services Director
Eric Schmidt, Community Development Director

FOR MORE INFORMATION

Staff Contact: Josh Fuhrer
Telephone: 503-618-2214
Staff E-Mail: Josh.Fuhrer@GreshamOregon.gov
Website: www.GreshamOregon.gov/UrbanRenewal

DocuSign Envelope ID: 01806A38-8735-435C-B835-DB236622D3A8

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between ~~(BLANK)~~HSHJ, Inc., ("HSHJ~~BLANK~~"), Seller, and the Gresham Redevelopment Commission, a public body corporate and politic ("Gresham"), Buyer.

RECITALS

A. Seller is the owner of approximately 0.60 acres at 18801 E Burnside Road, Gresham, OR 97233 and more particularly described in the attached Exhibit A attached hereto and incorporated by reference (the "Property").

B. Gresham desires to purchase from Seller, and Seller desires to sell and convey to Gresham, all right, title and interest in the Property, on the terms and conditions set forth in this Agreement.

C. The terms of this Agreement are as follows:

TERMS

1. Purchase and Sale. The Seller agrees to sell the Property to the Buyer, and the Buyer agrees to purchase from the Seller, and develop the Property on the terms and conditions set forth in this Agreement. The Property consists of the land described in the attached Exhibit A and all easements, rights or interests appurtenant to the land, all the improvements currently situated on the land and all tangible personal property located on the land or in the improvements.

2. Purchase Price. Subject to the appraisal condition set forth in Section 6.1.1 below, the Purchase Price for the Property is SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000), payable as follows:

2.1. Earnest Money Deposit. Within ten (10) days after execution of both this Agreement and the Memorandum described in Section 21.1, Gresham shall deposit into escrow with Chicago Title Company of Oregon (the "Title Company") a Promissory Note for the sum of $25,000, which Note shall serve as the Earnest Money Deposit (the "Earnest Money"). Upon Buyer's approval of the Property, Title Review, and all other Due Diligence and Inspections as defined below, Buyer will convert Note to cash and the deposit shall become Non-Refundable. The Earnest Money Deposit shall be placed in an interest-bearing account and the Deposit and all accrued interest shall be credited toward the Purchase Price at Closing.

2.2. Balance of Purchase Price. On or before the Closing Date (as hereafter defined), Gresham shall deposit into escrow with the Title Company the balance of the Purchase Price.

3. Closing. Seller shall deliver sole and exclusive possession of the Property subject to the terms of the month-to-month Lease Agreement with Asia Kitchen as Tenant to Buyer at Closing. Closing shall occur on or before the date that is fifteen (15) days following the expiration of the Due Diligence Period during ~~date on~~ which all conditions set forth in Section 6, except Section 6.1.3, that are to be fulfilled or waived on or before the expiration of the Due Diligence Period ~~Closing Date~~ have been fulfilled or waived as set forth therein (the Closing Date). The Due Diligence Period shall be no more than forty-five (45) days following the Effective Date of this Agreement. The Due Diligence Period ~~Closing Date~~ may be extended by the Buyer for an additional thirty (30) days (Extension Period). The Buyer will provide the Seller with written notice of the exercise of the Extension Period before the expiration of the Due Diligence Period~~at least ten (10) business days before the Closing Date, and will pay to Seller a non-refundable sum equal to $5,000, which amount shall be credited toward the Purchase Price at Closing~~.

Seller shall also have the right to extend Closing by thirty (30) days in order to accommodate a 1031 Exchange, provided there is no additional cost or liability incurred by Buyer. Title Company shall close the transaction in accordance with the provisions in this Agreement.

4. Gresham's Title Review.

4.1. Title Report; Unacceptable Exceptions. Seller shall provide a preliminary title report on the Property from the Title Company, along with legible copies of all plats and exceptions documents referenced in such report (the "Title Report"). Gresham will have ~~thirty~~ fifteen (15~~30~~) days following receipt of Title Report to review the Title Report and give Seller written notice of the exceptions listed in the Title Report that are unacceptable to Gresham (the "Unacceptable Exceptions"). Mortgages, delinquent taxes, or other financial obligations secured by the Property are automatically deemed Unacceptable Exceptions. If Gresham notifies Seller of any Unacceptable Exceptions, Seller will thereafter have fifteen (15) days to give Gresham written notice that Seller will remove the Unacceptable Exceptions from title to the Property prior to Closing (at Seller's sole cost and expense) or that Seller will not remove the Unacceptable Exceptions. Seller's failure to deliver such notice shall be deemed to mean that Seller will remove the Unacceptable Exceptions. If Seller elects not to remove any of the Unacceptable Exceptions and Gresham is not then satisfied with the condition of title, Gresham may elect to terminate this Agreement, in which event the Earnest Money shall be returned to Gresham.

4.2. Failure to Deliver Clean Title at Closing. If Seller fails to eliminate any Unacceptable Exception by the Closing Date, then Gresham may, without limiting any of its otherwise available remedies, elect to either (a) accept title to the Property subject to such exceptions, (b) refuse to accept the Property and terminate this Agreement, in which case the Earnest Money shall be refunded to Gresham, or (c) extend the Closing Date for a period of forty-five (45) days to provide Seller with additional time to remove such exceptions. If Gresham elects option (c) and at the end of the 45-day period such exceptions have not been removed, Gresham may then elect to proceed in accordance with either option (a) or (b) described above. To the extent that an Unacceptable Exception is a monetary lien or financial obligation secured by the Property, the Title Company is hereby directed to pay off such lien or obligation to the extent that it can be satisfied by application of all or a portion of the Purchase Price delivered into escrow by Gresham at Closing.

4.3. Permitted Exceptions. All exceptions other than the Unacceptable Exceptions shall be deemed acceptable to Gresham (the "Permitted Exceptions"); provided, however, that in no event will mortgages, delinquent taxes, or other financial obligations secured by the Property be deemed Permitted Exceptions. Should the Title Company inform Gresham of any new title exceptions not appearing on the initial Title Report, such new exceptions shall be deemed Unacceptable Exceptions, unless specifically accepted in writing by Gresham.

5. Gresham's Due Diligence and Inspections.

5.1. Seller's Delivery of Documents. Within five (5) days after the Effective Date, Seller shall deliver to Gresham any and all material information and documentation in Seller's possession or control pertaining to the Property (the "Due Diligence Documents"). The Due Diligence Documents include (without limitation) copies of (a) all environmental data, studies, analyses, and reports relating to the Property or any neighboring property, (b) any existing survey of the Property, (c) any existing leases (including the expired lease to Asia Kitchen that is now on a month-to-month agreement), boundary agreements, road maintenance agreements, or other contracts relating to all or a portion of the Property, (d) all topographical, geotechnical, wetlands, soils, and groundwater reports, or any other professional reports relating to the Property, (e) any well logs or water right certificates or permits relating to the Property, (f) copies of any government permits, land use approvals or conditions, easements, encroachment permits, deed restrictions, or zoning restrictions affecting the Property, and (g) copies of

any operating expense reports relating to the Property. If Seller is aware of the existence of any material information or documentation pertaining to the Property that is not in Seller's possession or control, Seller shall notify Gresham of the existence of such information within five (5) days after the Effective Date or two (2) business days after learning of such information. Notwithstanding any other provision in this Agreement, sShould Seller fail to timely provide Gresham with any Due Diligence Documents, Buyer shall have seven (7) calendar days to review any newly provided material, information, or documentation provided by Seller to Buyer if provided less than seven (7) days prior to the end of the Due Diligence Period or less than seven (7) days prior to the Closing Date, and Gresham may, at Gresham's sole discretion, extend the Due Diligence Period or the Closing Date for a period not to exceed twenty (20) days so that Gresham may have adequate time to further review and address the content of such additional documentation.

5.2. Property and Environmental Inspections. Gresham and its agents, including but not limited to consultants, surveyors, engineers, home inspectors, appraisers, and other professionals hired by Gresham, shall have the right to access the Property to conduct environmental studies (including Phase I and Phase II Environmental Site Assessments), structural inspections, sewer and septic system sampling, asbestos and lead testing, an ALTA land survey, and any other due diligence Gresham deems necessary or desirable. Seller shall cooperate with Gresham in making such inspections. Gresham and its agents will have the right to enter the Property at reasonable times before Closing to perform such surveys, analyses, studies, appraisals, and other due diligence that Gresham deems necessary or desirable; provided, however, that Gresham shall give Seller twenty-four (24) hours' notice prior to entering any residence located on the Property. Any area disturbed by Gresham's inspections shall be restored by Gresham, at Gresham's sole costs and expense, to substantially its pre-inspection condition. Copies of all written inspections obtained by or on behalf of Gresham shall be promptly provided to Seller.

6. Conditions Precedent to Closing.

6.1. Conditions Precedent to Gresham's Obligations. In addition to any other conditions contained in this Agreement, the conditions set forth in this Section 6.1 must be satisfied prior to Gresham's obligation to acquire the Property. These conditions are intended solely for Gresham's benefit and Gresham has the sole right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before Closing, Gresham will have the right to terminate this Agreement, in which event the Earnest Money shall promptly be returned to Gresham.

6.1.1. Appraisal. The Purchase Price for the Property must be supported by an independent MAI appraisal (subject to no extraordinary assumptions) and, at the option of Gresham, an independent review of such MAI appraisal. Gresham shall contract for, and pay the cost of obtaining, the independent MAI appraisal and the appraisal review. Both the MAI appraisal and the appraisal review shall be completed in accordance with current Uniform Standards of Professional Appraisal Practice ("USPAP") and generally accepted appraisal standards.

6.1.2. Due Diligence and Inspection Results. Gresham must be satisfied, in its sole and absolute discretion, with its review of the Due Diligence Documents and the results of Gresham's inspections of the Property conducted under Sections 5.1 and 5.2 above. If Gresham gives notice to Seller prior to the expiration of the Due Diligence Period ~~Closing Date~~ that Gresham is not satisfied with the Property due to the results of its due diligence and inspections under Section 5, the Due Diligence Period ~~Closing Date~~ will be automatically extended in accordance with the terms of Section 3 for a period of thirty (30) days so that Seller and Gresham may address such results. If at the end of the 30-day Extension P~~p~~eriod, Gresham and Seller have not reached an agreement regarding the issues disclosed as a result of such due diligence and inspections, then this Agreement will automatically terminate and the Earnest Money shall be refunded to Gresham unless otherwise agreed to in writing by Seller and Gresham.

DocuSign Envelope ID: 01806A38-8735-435C-B835-DB236622D3A8

6.1.3. Final Approval. In addition to all other conditions and contingencies, this purchase is subject to the final approval of the governing body of the Gresham Redevelopment Commission prior to Closing. In the event that the governing body does not approve this purchase, this Agreement will be null and void and have no further force and effect and all Earnest Money shall be refunded to Gresham. Final approval shall be within 15 days of the expiration of the 45-day Due Diligence Period.

6.1.4. Title. At Closing (a) Seller shall deliver to Gresham a Statutory Warranty Deed conveying fee simple title to the Property to Gresham in accordance with Section 7.1.1, and (b) the Title Company must be committed to issue to Gresham the Title Policy described below in Section 9.

6.1.5. Representations, Warranties, and Covenants of Seller. Seller shall have performed all of its obligations hereunder, and Seller's representations and warranties set forth in this Agreement shall be true, complete, and correct as of the Effective Date and as of the Closing Date.

6.1.6. No Material Changes. At Closing, there shall have been no material adverse changes related to or connected with the Property.

6.1.7. Seller's Deliveries. Seller shall have timely delivered each item to be delivered by Seller pursuant to this Agreement, including (without limitation) the documents and materials described below in Section 7.1.

6.1.8. Removal of Personal Property and Debris. Seller shall have removed or have caused to be removed from the Property, at Seller's sole cost and expense, any and all personal property not related to or required for the continued operation of Asia Kitchen as Tenant, trash, rubbish, debris, illegally dumped materials or illegal fill materials.

6.2. Conditions Precedent to Seller's Obligations. Closing and Seller's obligations with respect to the transactions contemplated by this Agreement are subject to Gresham's delivery to the Title Company on or before the Closing Date of (i) the Purchase Price and (ii) the documents and materials described below in Section 7.2.

6.3. Cancellation Fees and Expenses. In the event the escrow terminates because of the failure of any condition for a reason other than the default of Seller under this Agreement, Gresham shall pay the cancellation charges required to be paid to the Title Company. In the event this escrow terminates because of Seller's default, Seller shall pay the cancellation charges required to be paid to the Title Company.

7. Deliveries to the Title Company.

7.1. By Seller. On or before the Closing Date, Seller shall deliver the following into escrow with the Title Company:

7.1.1. Deed. A Statutory Warranty Deed (the "Deed"), duly executed and acknowledged in recordable form by Seller, conveying the Property to Gresham free and clear of all liens and encumbrances except the Permitted Exceptions accepted by Gresham pursuant to Section 4 above. The Title Company's usual, preprinted exceptions (typically listed as general exceptions 1 through 5 on the Title Report) shall not be listed as exceptions on the Deed.

7.1.2. Proof of Authority. Such proof of Seller's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or Gresham.

7.1.3. Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Title Company in order to issue the Title Policy.

7.1.4. Other Documents. Such other fully executed documents and funds as are required of Seller to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

7.2. By Gresham. On or before the Closing Date, Gresham shall deliver the following into escrow with the Title Company.

7.2.1. Purchase Price. The Purchase Price, in accordance with Section 2 above.

7.2.2. Proof of Authority. Such proof of Gresham's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or Seller.

7.2.3. Other Documents. Such other fully executed documents and funds as are required of Gresham to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

8. Deliveries to Gresham at Closing. At Closing, Seller shall deliver to Gresham (i) exclusive possession of the Property subject to the existing month-to-month lease agreement with Asia Kitchen as Tenant, and (ii) keys to all improvements and personal property located on the Property. Seller agrees to allow Asia Kitchen to remain as Tenant through Closing and to not evict or otherwise cause the removal of Tenant prior to or as a condition of Closing.

9. Title Insurance. At Closing, Seller shall cause the Title Company to issue to Gresham an ALTA owner's title insurance policy, extended form, in the full amount of the Purchase Price, insuring fee simple title vested in Gresham or its nominees, subject only to the Permitted Exceptions as established under Section 4 of this Agreement (the "Title Policy"). Buyer, at its option and its expense, may elect to obtain extended coverage under such policy of title insurance and Seller agrees to execute any affidavits or other documents required by the Title Company to enable Buyer to obtain such coverage.

10. Closing Costs. Seller shall pay for the standard Title Policy, one-half of all escrow fees, any real property transfer or excise taxes, all recording charges other than those allocated to Gresham below, and Seller's share of prorations pursuant to Section 11 below. Gresham shall pay the cost of recording the Deed, the extended Title Policy, one-half of all escrow fees, and Gresham's share of prorations pursuant to Section 11 below. Gresham and Seller each shall pay for its own legal and professional fees incurred. All other costs and expenses are to be allocated between Gresham and Seller in accordance with the customary practice in the county where the Property is located.

11. Prorations and Taxes.

11.1. Prorations. Any and all state, county, and/or city taxes for the current year, rents, or other income or operating expenses pertaining to the Property will be prorated between Seller and Gresham as of the Closing Date.

11.2. Taxes and Assessments. All taxes, assessments, and encumbrances that will be a lien against the Property at Closing shall be satisfied by Seller at Closing. If Seller shall fail to do so, Gresham may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price. If the Property is subject to farm or forest deferred taxes, Seller will

have no obligation or responsibility for said deferred taxes, unless the Property becomes disqualified for or loses its deferred tax status as a result of Seller's actions prior to Closing in which case such taxes shall be Seller's responsibility.

12. Seller's Representations and Warranties. Seller hereby warrants and represents to Gresham the following matters, and acknowledges that they are material inducements to Gresham to enter into this Agreement. Seller agrees to indemnify, defend, and hold Gresham harmless from all expense, loss, liability, damages and claims, including (without limitation) attorney's fees, arising out of the breach or falsity of any of Seller's representations, warranties, and covenants, which indemnity shall survive the Closing. These representations and warranties shall survive Closing. Seller warrants and represents to Gresham that the following matters are true and correct, and will remain true and correct through Closing:

12.1. Authority. Seller has full power and authority to enter into this Agreement (and the persons signing this Agreement for Seller, if Seller is not an individual, have full power and authority to sign for Seller and to bind it to this Agreement) and to sell, transfer and convey all right, title, and interest in and to the Property in accordance with this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

12.2. Unrestricted Access. The Property has unrestricted, insurable vehicular access to a public road.

12.3. Minimum Acreage: To Seller's knowledge, the Property is at least 0.60 acres in size.

12.4. Hazardous Substances. For purposes of this Agreement, the term "Hazardous Substances" has the meaning defined in and includes those substances set forth in ORS 465.200. Seller warrants and represents as follows:

(a) To Seller's knowledge, there are no Hazardous Substances in, upon, or buried on or beneath the Property and no Hazardous Substances have been emitted or released from the Property in violation of any environmental laws of the federal or state government;

(b) Seller has not brought onto, stored on, buried, used on, emitted or released from, or allowed to be brought onto, stored on, buried, used on, emitted, released from, or produced or disposed of, from, or on the Property, any Hazardous Substances in violation of any environmental laws of the federal or state government;

(c) To Seller's knowledge, no underground storage tanks are located on the Property, including (without limitation) any storage tanks that may have at one time contained any Hazardous Substances;

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

(e) 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;

(f) Seller has not transferred, and to Seller's knowledge no other person has transferred, Hazardous Substances from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements; and

(g) There are no proceedings, administrative actions, or judicial proceedings pending or, to Seller's knowledge, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

12.5. Encroachments. To Seller's knowledge (a) all structures and improvements, including any driveways and accessory structures, are wholly within the lot lines of the Property, (b) no existing building, structure, or improvement of any kind encroaches upon the Property from any adjacent property, and (c) there are no present or past discrepancies or disputes regarding the boundaries of the Property.

12.6. Rights and Contracts Affecting Property. Except for this Agreement, Seller has not entered into any other contracts for the sale of the Property, nor do there exist any rights of first refusal or options to purchase the Property. Except for those exceptions of record listed on the Title Report, Seller owns the Property in fee, free and clear of all liens, conditions, reservations, mortgages, leases except as referenced above to Asia Kitchen, licenses, easements, prescriptive rights, permits, or other similar encumbrances. Seller has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights", or any other development or other rights or restrictions relating to the Property, and to Seller's knowledge no such rights encumber the Property. There are no service contracts or other agreements pertaining to the Property that will bind the Property or Gresham on or after the Closing.

12.7. Possession. Except as specifically set forth in this Agreement, there are no ~~leases,~~ licenses~~,~~ or other agreements permitting, nor has Seller entered into any course of conduct that would permit, any person or entity to occupy or use any portion of the Property except for the lease of the Property to Asia Kitchen. Seller shall deliver immediate and exclusive possession of the entire Property to Gresham at Closing. To the extent there are existing leases for the use of the Property, such leases are between Seller and corporations wholly owned by Seller, and Seller represents Seller will not cause cancellation of such leases effective upon C~~e~~losing, and that Seller's interest in such leases shall be assigned to Buyer at Closing.

12.8. Reforestation. The Property is not subject to any pending or delinquent reforestation requirements and Seller has complied with all applicable reforestation requirements. In accordance with Section 4, Seller shall deliver copies of any notices, agreements, or other documents related to past, present, or future reforestation of the Property.

12.9. Recitals. The statements and information set forth in the Recitals are true and correct.

12.10. No Legal Proceedings. There is no suit, action, arbitration, judgment, legal, administrative, or other proceeding, claim, lien, or inquiry pending or threatened against the Property or against Seller (nor is there any basis for any such proceeding) that could (a) affect Seller's right or title to the Property, (b) affect the value of the Property, or (c) subject an owner of the Property to liability. ()

12.11. Mechanic's and Other Liens. No work on the Property has been done or materials provided that would give rise to actual or impending mechanic's liens, private liens, or any other liens, against the Property.

12.12. Public Improvements or Governmental Notices. To Seller's knowledge, there are no intended public improvements which will result in the creation of any liens upon the Property, nor have any notices or other information been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property.

12.13. Breach of Agreements. The execution of this Agreement will not constitute a breach or default under any agreement to which Seller is bound or to which the Property is subject.

12.14. Bankruptcy Proceedings. 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 Seller, nor are any such proceedings contemplated by Seller.

12.15. Other Costs. Seller acknowledged that the Purchase Price covers all claims and rights of every kind whatsoever. Seller incurs no costs or damages as a result of business interruption, costs of relocation, improvement costs, or other items of a similar or related nature in connection with the acquisition of the Property by Gresham. Seller shall hold harmless, defend and indemnify Gresham for any costs or damages as a result of business interruption, costs of relocation, improvement costs, or other items of a similar or related nature incurred by any lessee of the Seller in connection with the acquisition or development of the property by Gresham.

12.16. PATRIOT Act. Neither Seller nor, to Seller's knowledge, any person having a direct or indirect beneficial interest in Seller (nor any principal, officer, or director of the foregoing), (a) appears on the Specially Designated Nationals and Blocked Person List or similar list prepared or maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and none of the foregoing is a Senior Foreign Political Figure or Prohibited Foreign Shell Bank (as such terms are defined in the PATRIOT Act (Public Law 107-56)), (b) is a person with whom a United States citizen is prohibited from transacting business under any U.S. law, regulation or Executive Order, or (c) is engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in any U.S. anti-money laundering law.

12.17. Changed Conditions. If Seller discovers any information or facts that would materially change the foregoing warranties and representations, Seller shall immediately give notice to Gresham of those facts and information. If any of the foregoing warranties and representations cease to be true before Closing, Seller shall use its best efforts to remedy the problem, at its sole expense, before Closing. If the problem is not remedied before Closing, Gresham may elect to either: (a) terminate this Agreement, in which case Gresham will have no obligation to purchase the Property and the Earnest Money shall be refunded to Gresham, or (b) extend the Closing Date for a period not to exceed forty-five (45) days or until such problem has been remedied, whichever occurs first. Should Gresham extend the Closing Date and the problem is not remedied within the 45-day timeframe, Gresham may then elect to terminate this Agreement and receive a refund of its Earnest Money; provided, however, that such election will not constitute a waiver of Gresham's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true, nor will it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

13. Condition of the Property Through Closing. Seller shall (a) maintain the Property in substantially the same condition as it was on the Effective Date, with no tree cutting, timber harvesting, or alteration of the Property in any way, (b) keep all existing insurance policies affecting the Property in full force and effect, (c) make all regular payments of interest and principal on any existing financing, (d) pay all real property taxes and assessments against the Property prior to delinquency, (e) comply with all government regulations, and (f) keep Gresham timely advised of any repair or improvement required to keep the Property in substantially the same condition as it was on the Effective Date; provided however that Buyer's sole remedy for Seller's failure to pay regular payments of interest and principal on any existing financing shall be to have such amounts deducted from amounts otherwise payable to Seller at closing; further provided that if the net proceeds at closing are insufficient to achieve satisfaction of any mortgages pursuant to the loan documents or other agreements between the Seller and their lender(s), then Seller shall deposit such additional sums as may be necessary at time of closing in order to achieve satisfaction of said existing mortgages.

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

(a) Subject to the conditions stated herein, Gresham 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) Subject to the conditions stated herein, all requisite action has been taken by Gresham in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated herein; and

(c) Subject to the conditions stated herein, the persons executing this Agreement and the instruments referred to herein on behalf of Gresham have the legal power, right, and actual authority to bind Gresham to the terms and conditions of this Agreement.

15. Legal and Equitable Enforcement of This Agreement.

15.1. Default by Seller. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller, Gresham shall be entitled to all its out-of-pocket expenses incurred in connection with the transaction, including the Earnest Money, and will have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

15.2. Default by Gresham. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Gresham, Gresham and Seller agree that it would be impractical and extremely difficult to estimate the damages that Seller may suffer. Therefore, Gresham and Seller agree that a reasonable estimate of the total net detriment that Seller would suffer in the event that Gresham defaults and fails to complete the purchase of the Property is and will be an amount equal to the Earnest Money. This amount shall be Seller's sole and exclusive remedy (whether at law or in equity), and the full, agreed, and liquidated damages for the breach of this Agreement by Gresham. The payment of said amount as liquidated damages is not intended as a forfeiture or penalty. All other claims to damage or other remedies are hereby expressly waived by Seller. Upon a termination due to a default by Gresham, this Agreement will terminate and except as set forth in this section, neither party will have any further rights or obligations hereunder or to one another.

16. Risk of Loss, Condemnation. Seller bears the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, all or any part of the Property is damaged, destroyed, condemned, or threatened with condemnation, Seller shall give Gresham written notice of such event. Gresham may terminate this Agreement by giving written notice to Seller within fifteen (15) days following receipt by Gresham of written notice from Seller of such casualty or condemnation and the Title Company shall return the Earnest Money to Gresham.

17. Notices. All notices required or permitted to be given must be in writing to the address set forth below and will be deemed given upon (a) personal service, (b) deposit in the United States Mail, postage prepaid, or (c) deposit with a nationally recognized overnight courier service. All such notices shall be deemed received (x) upon personal service, (y) three (3) days after deposit in the United States Mail, postage prepaid, or (z) one (1) day after deposit with a nationally recognized overnight courier service.

To Seller: ~~blank~~HSHJ, Inc.
~~blank~~15416 NE Holladay Street
~~blank~~Portland, OR 97230

To Gresham: Josh Fuhrer
Executive Director
Gresham Redevelopment Commission
1333 NW Eastman Parkway
Gresham, OR 97030

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manners set forth above will be effective when received by the party for whom it is intended. Telephone, email, and fax numbers are for information only.

18. Broker Commissions. Seller has engaged Heather Miller and John Gibson, licensed real estate brokers with Keller Williams as Seller's real estate broker in connection with this Agreement and the transaction contemplated by this Agreement. Buyer represents and warrants to Seller that it has not engaged the services of a real estate broker. Seller warrants that any commissions due to its' broker as a result of this Agreement or the transaction contemplated by this Agreement shall be paid by Seller. In the event any person or entity other than Seller's broker asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then Seller shall indemnify, hold harmless, and defend Gresham from and against any such claim if based on any action, agreement, or representations made by Seller; and Gresham shall indemnify, hold harmless, and defend Seller from and against any such claim if based on any action, agreement, or representations made by Gresham.

19. Further Actions of Gresham and Seller. Gresham and Seller agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and both parties shall use their best efforts to accomplish Closing in accordance with the provisions hereof.

20. Accommodating a 1031 Exchange. If Seller desires to transfer the Property through an exchange transaction under Section 1031 of the Internal Revenue Code, Gresham will cooperate in such exchange as long as (a) such cooperation is at the sole expense of Seller, (b) Gresham assumes no additional risk or liability or loses any remedies or rights due to the exchange transaction, (c) the Closing is not delayed more than thirty (30) days as a result of the exchange, (d) Seller delivers title as agreed directly to Gresham, and (e) Gresham is not obligated to take title to any additional property. Seller shall indemnify, protect, hold harmless, and defend Gresham from and against any and all claims, damages, costs, liabilities, losses, and expenses (including reasonable attorney fees) arising out of the exchange transaction. This indemnity shall survive Closing.

21. Miscellaneous.

21.1. Recording of Memorandum. On the Effective Date the parties shall execute a memorandum of this Agreement (the "Memorandum"), which Gresham may cause to be recorded against the Property.

21.2. Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance is, to any extent, found 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, will not be affected thereby, and each such term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

21.3. Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

21.4. Survival of Representations. The covenants, agreements, representations, and warranties made herein shall survive Closing and will not merge into the Deed.

21.5. Successors and Assigns. This Agreement will be binding on and will inure to the benefit of the successors and assigns of the parties to it. Gresham may assign all or any portion of its interest in this Agreement without the consent of Seller. If an assignee assumes all the obligations of Gresham hereunder, then Gresham shall have no further liability with respect to this Agreement.

21.6. Representation. This Agreement was prepared by Gresham. Seller represents that Seller had an opportunity to consult with its own legal counsel prior to executing this Agreement. Seller waives any claim that any term or condition herein should be construed against the drafter of the Agreement. This Agreement shall be construed as if it had been prepared by both parties.

21.7. 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. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

21.8. Time of Essence. Seller and Gresham hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision contained in this Agreement. Unless otherwise specified herein, in computing any period of time described in this Agreement, whenever a date for an action required to be performed falls on a Saturday, Sunday, or a state or federal holiday, then such date shall be extended to the following business day.

21.9. Recitals. The statements and information set forth in the Recitals are hereby incorporated as if fully set forth herein and shall be used for the purposes of interpreting this Agreement.

21.10. Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement is governed by and should be interpreted in accordance with the laws of the state of 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 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.

This document will automatically expire on August 1~~July 15~~, 2016 at 5:00 p.m., if not executed by Seller within that time and delivered to Gresham pursuant to the notice requirements contained in Section 17 above.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the last date of signature specified below.

GRESHAM REDEVELOPMENT COMMISSION	SELLER: HSHJ, Inc.
By: [signature]	By: DocuSigned by: Benton Wong 2BCF6E450611448
Print Name: JOSH FUHRER	Date: 7/29/2016
Title: EXECUTIVE DIRECTOR	By: _____
Date: AUGUST 1, 2016	Date: _____

DocuSign Envelope ID: 01806A38-8735-435C-B835-DB236622D3A8

Exhibit A
Property Legal Description

To be added later

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between OBB PARTNERS V, LLC ("OBB"), Seller, and the Gresham Redevelopment Commission, a public body corporate and politic ("Gresham"), Buyer.

RECITALS

A. Seller is the owner of approximately 1.40 acres at 18901 E Burnside Road, Gresham, OR 97233 and more particularly described on the attached Exhibit A attached hereto and incorporated by reference (the "Property").

B. Gresham desires to purchase from Seller, and Seller desires to sell and convey to Gresham, all right, title and interest in the Property, on the terms and conditions set forth in this Agreement.

C. The terms of this Agreement are as follows:

TERMS

1. Purchase and Sale. The Seller agrees to sell the Property to the Buyer, and the Buyer agrees to purchase from the Seller under the terms and conditions set forth in this Agreement. The Property consists of the land described in the attached Exhibit A and all easements, rights or interests appurtenant to the land, all the improvements currently situated on the land and all tangible personal property including without limitation all kitchen equipment including appliances, plates, containers, flatware, hand tools, and other miscellaneous kitchen items located on the land or in the improvements.

2. Purchase Price. The Purchase Price for the Property is ONE MILLION THREE HUNDRED FORTY-SIX THOUSAND AND FIVE HUNDRED DOLLARS ($1,346,500), payable as follows:

2.1. Earnest Money Deposit. Within ten (10) days after execution of both this Agreement and the Memorandum described in Section 21.1, Gresham shall deposit into escrow at Chicago Title Company of Oregon, 1211 SW 5th Ave., Ste 2130, Portland, OR 97204 (the "Title Company") a Promissory Note for the sum of $25,000, which Note shall serve as the Earnest Money Deposit (the "Earnest Money"). Upon Buyer's approval of the Property, Title Review, and all other Due Diligence and Inspections as defined below, Buyer will convert Note to cash and the deposit shall become Non-Refundable. The Earnest Money Deposit shall be placed in an interest-bearing account and the Deposit and all accrued interest shall be credited toward the Purchase Price at Closing.

2.2. Balance of Purchase Price. On or before the Closing Date (as hereafter defined), Gresham shall deposit into escrow with the Title Company the balance of the Purchase Price.

3. Closing. Seller shall deliver sole and exclusive possession of the Property subject to the terms of the month-to-month Lease Agreement with Rockwood CDC as Tenant to Buyer at Closing. Closing shall occur on or before the date that is fifteen (15) days following the expiration of the Due Diligence Period during which all conditions set forth in Section 6, except Section 6.1.3, that are to be fulfilled or waived on or before the expiration of the Due Diligence Period have been fulfilled or waived as set forth therein (the Closing Date). The Due Diligence Period shall be no more than thirty (30) days following the Effective Date of this Agreement. The Due Diligence Period may be extended by the Buyer for an additional thirty (30) days (Extension Period). The Buyer will provide the Seller with written notice of the exercise of the Extension Period before the expiration of the Due Diligence Period, and will pay to Seller a non-refundable sum equal to $5,000, which amount shall not be credited toward the Purchase Price at

Closing. Seller shall also have the right to extend Closing by thirty (30) days in order to accommodate a 1031 Exchange, provided there is no additional cost or liability incurred by Buyer. Title Company shall close the transaction in accordance with the provisions in this Agreement.

4. Gresham's Title Review.

4.1. Title Report; Unacceptable Exceptions. Seller shall provide a preliminary title report on the Property from the Title Company, along with legible copies of all plats and exceptions documents referenced in such report (the "Title Report"). Gresham will have seven (7) days following receipt of Title Report to review the Title Report and give Seller written notice of the exceptions listed in the Title Report that are unacceptable to Gresham (the "Unacceptable Exceptions"). Mortgages, delinquent taxes, or other financial obligations secured by the Property are automatically deemed Unacceptable Exceptions. If Gresham notifies Seller of any Unacceptable Exceptions, Seller will thereafter have seven (7) days to give Gresham written notice that Seller will remove the Unacceptable Exceptions from title to the Property prior to Closing (at Seller's sole cost and expense) or that Seller will not remove the Unacceptable Exceptions. Seller's failure to deliver such notice shall be deemed to mean that Seller will remove the Unacceptable Exceptions. If Seller elects not to remove any of the Unacceptable Exceptions and Gresham is not then satisfied with the condition of title, Gresham may elect to terminate this Agreement, in which event the Earnest Money shall be returned to Gresham.

4.2. Failure to Deliver Clean Title at Closing. If Seller fails to eliminate any Unacceptable Exception by the Closing Date, then Gresham may, without limiting any of its otherwise available remedies, elect to either (a) accept title to the Property subject to such exceptions, (b) refuse to accept the Property and terminate this Agreement, in which case the Earnest Money shall be refunded to Gresham, or (c) extend the Closing Date for a period of forty-five (45) days to provide Seller with additional time to remove such exceptions. If Gresham elects option (c) and at the end of the 45-day period such exceptions have not been removed, Gresham may then elect to proceed in accordance with either option (a) or (b) described above. To the extent that an Unacceptable Exception is a monetary lien or financial obligation secured by the Property, the Title Company is hereby directed to pay off such lien or obligation to the extent that it can be satisfied by application of all or a portion of the Purchase Price delivered into escrow by Gresham at Closing.

4.3. Permitted Exceptions. All exceptions other than the Unacceptable Exceptions shall be deemed acceptable to Gresham (the "Permitted Exceptions"); provided, however, that in no event will mortgages, delinquent taxes, or other financial obligations secured by the Property be deemed Permitted Exceptions. Should the Title Company inform Gresham of any new title exceptions not appearing on the initial Title Report, such new exceptions shall be deemed Unacceptable Exceptions, unless specifically accepted in writing by Gresham.

5. Gresham's Due Diligence and Inspections.

5.1. Seller's Delivery of Documents. Within five (5) days after the Effective Date, Seller shall deliver to Gresham any and all material information and documentation in Seller's possession or control pertaining to the Property (the "Due Diligence Documents"). The Due Diligence Documents include (without limitation) but are not limited to copies of (a) all environmental data, studies, analyses, and reports relating to the Property or any neighboring property, (b) any existing survey of the Property, (c) any existing leases, boundary agreements, road maintenance agreements, or other contracts relating to all or a portion of the Property, (d) all topographical, geotechnical, wetlands, soils, and groundwater reports, or any other professional reports relating to the Property, (e) any well logs or water right certificates or permits relating to the Property, (f) copies of any government permits, land use approvals or conditions, easements, encroachment permits, deed restrictions, or zoning restrictions affecting the Property, and (g) copies of any operating expense reports relating to the Property. If Seller is aware of the existence of any

material information or documentation pertaining to the Property that is not in Seller's possession or control, Seller shall notify Gresham of the existence of such information within five (5) days after the Effective Date or two (2) business days after learning of such information. Notwithstanding any other provision in this Agreement, should Seller fail to timely provide Gresham with any Due Diligence Documents, Buyer shall have seven (7) calendar days to review any newly provided material, information, or documentation provided by Seller to Buyer if provided less than seven (7) days prior to the end of the Due Diligence Period or less than seven (7) days prior to the Closing Date, and Gresham may, at Gresham's sole discretion, extend the Due Diligence Period or the Closing Date at no cost for a period not to exceed twenty (20) days so that Gresham may have adequate time to further review and address the content of such additional documentation.

5.2. Property and Environmental Inspections. Gresham and its agents, including but not limited to consultants, surveyors, engineers, home inspectors, appraisers, and other professionals hired by Gresham, shall have the right to access the Property to conduct environmental studies (including Phase I and Phase II Environmental Site Assessments), structural inspections, sewer and septic system sampling, asbestos and lead testing, an ALTA land survey, and any other due diligence Gresham deems necessary or desirable. Seller shall cooperate with Gresham in making such inspections. Gresham and its agents will have the right to enter the Property at reasonable times before Closing to perform such surveys, analyses, studies, appraisals, and other due diligence that Gresham deems necessary or desirable; provided, however, that Gresham shall give Seller twenty-four (24) hours' notice prior to entering any residence located on the Property. Any area disturbed by Gresham's inspections shall be restored by Gresham, at Gresham's sole costs and expense, to substantially its pre-inspection condition. Copies of all written inspections obtained by or on behalf of Gresham shall be promptly provided to Seller.

6. Conditions Precedent to Closing.

6.1. Conditions Precedent to Gresham's Obligations. In addition to any other conditions contained in this Agreement, the conditions set forth in this Section 6.1 must be satisfied prior to Gresham's obligation to acquire the Property. These conditions are intended solely for Gresham's benefit and Gresham has the sole right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before Closing, Gresham will have the right to terminate this Agreement, in which event the Earnest Money shall promptly be returned to Gresham.

6.1.1. Appraisal. The Purchase Price for the Property must be supported by an independent MAI appraisal (subject to no extraordinary assumptions) and, at the option of Gresham, an independent review of such MAI appraisal. Gresham shall contract for, and pay the cost of obtaining, the independent MAI appraisal and the appraisal review. Both the MAI appraisal and the appraisal review shall be completed in accordance with current Uniform Standards of Professional Appraisal Practice ("USPAP") and generally accepted appraisal standards.

6.1.2. Due Diligence and Inspection Results. Gresham must be satisfied, in its sole and absolute discretion, with its review of the Due Diligence Documents and the results of Gresham's inspections of the Property conducted under Sections 5.1 and 5.2 above. If Gresham gives notice to Seller prior to the expiration of the Due Diligence Period that Gresham is not satisfied with the Property due to the results of its due diligence and inspections under Section 5, the Due Diligence Period will be extended in accordance with the terms of Section 3 so that Seller and Gresham may address such results. If at the end of the Extension Period, Gresham and Seller have not reached an agreement regarding the issues disclosed as a result of such due diligence and inspections, then this Agreement will automatically terminate and the Earnest Money shall be refunded to Gresham unless otherwise agreed to in writing by the Seller and Gresham.

6.1.3. Final Approval. In addition to all other conditions and contingencies, this purchase is subject to the final approval of the governing body of the Gresham Redevelopment Commission prior to Closing. In the event that the governing body does not approve this purchase, this Agreement will be null and void and have no further force and effect and all Earnest Money shall be refunded to Gresham. Final approval shall be within 15 days of the expiration of the 30-day Due Diligence Period

6.1.4. Title. At Closing (a) Seller shall deliver to Gresham a Statutory Warranty Deed conveying fee simple title to the Property to Gresham in accordance with Section 7.1.1, and (b) the Title Company must be committed to issue to Gresham the Title Policy described below in Section 9.

6.1.5. Representations, Warranties, and Covenants of Seller. Seller shall have performed all of its obligations hereunder, and Seller's representations and warranties set forth in this Agreement shall be true, complete, and correct as of the Effective Date and as of the Closing Date.

6.1.6. No Material Changes. At Closing, there shall have been no material adverse changes related to or connected with the Property.

6.1.7. Seller's Deliveries. Seller shall have timely delivered each item to be delivered by Seller pursuant to this Agreement, including (without limitation) the documents and materials described below in Section 7.1.

6.1.8. Removal of Personal Property and Debris. Seller shall have removed or have caused to be removed from the Property, at Seller's sole cost and expense, any and all personal property not included in the sale and any and all trash, rubbish, debris, illegally dumped materials or illegal fill materials.

6.2. Conditions Precedent to Seller's Obligations. Closing and Seller's obligations with respect to the transactions contemplated by this Agreement are subject to Gresham's delivery to the Title Company on or before the Closing Date of (i) the Purchase Price and (ii) the documents and materials described below in Section 7.2.

6.3. Cancellation Fees and Expenses. In the event the escrow terminates because of the failure of any condition for a reason other than the default of Seller under this Agreement, Gresham shall pay the cancellation charges required to be paid to the Title Company. In the event this escrow terminates because of Seller's default, Seller shall pay the cancellation charges required to be paid to the Title Company.

7. Deliveries to the Title Company.

7.1. By Seller. On or before the Closing Date, Seller shall deliver the following into escrow with the Title Company:

7.1.1. Deed. A Statutory Warranty Deed (the "Deed"), duly executed and acknowledged in recordable form by Seller, conveying the Property to Gresham free and clear of all liens and encumbrances except the Permitted Exceptions accepted by Gresham pursuant to Section 4 above. The Title Company's usual, preprinted exceptions (typically listed as general exceptions 1 through 5 on the Title Report) shall not be listed as exceptions on the Deed.

7.1.2. Proof of Authority. Such proof of Seller's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or Gresham.

7.1.3. Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Title Company in order to issue the Title Policy.

7.1.4. Other Documents. Such other fully executed documents and funds as are required of Seller to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

7.2. By Gresham. On or before the Closing Date, Gresham shall deliver the following into escrow with the Title Company.

7.2.1. Purchase Price. The Purchase Price, in accordance with Section 2 above.

7.2.2. Proof of Authority. Such proof of Gresham's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or Seller.

7.2.3. Other Documents. Such other fully executed documents and funds as are required of Gresham to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

8. Deliveries to Gresham at Closing. At Closing, Seller shall deliver to Gresham (i) exclusive possession of the Property, and (ii) keys to all improvements and personal property located on the Property.

9. Title Insurance. At Closing, Seller shall cause the Title Company to issue to Gresham an ALTA owner's title insurance policy, extended form, in the full amount of the Purchase Price, insuring fee simple title vested in Gresham or its nominees, subject only to the Permitted Exceptions as established under Section 4 of this Agreement (the "Title Policy"). Buyer, at its option and its expense, may elect to obtain extended coverage under such policy of title insurance and Seller agrees to execute any affidavits or other documents required by the Title Company to enable Buyer to obtain such coverage.

10. Closing Costs. Seller shall pay for the standard Title Policy, one-half of all escrow fees, any real property transfer or excise taxes, all recording charges other than those allocated to Gresham below, and Seller's share of prorations pursuant to Section 11 below. Gresham shall pay the cost of recording the Deed, the extended Title Policy, one-half of all escrow fees, and Gresham's share of prorations pursuant to Section 11 below. Gresham and Seller each shall pay for its own legal and professional fees incurred. All other costs and expenses are to be allocated between Gresham and Seller in accordance with the customary practice in the county where the Property is located.

11. Prorations and Taxes.

11.1. Prorations. Any and all state, county, and/or city taxes for the current year, rents, or other income or operating expenses pertaining to the Property will be prorated between Seller and Gresham as of the Closing Date.

11.2. Taxes and Assessments. All taxes, assessments, and encumbrances that will be a lien against the Property at Closing shall be satisfied by Seller at Closing. If Seller shall fail to do so, Gresham may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price. If the Property is subject to farm or forest deferred taxes, Seller will have no obligation or responsibility for said deferred taxes, unless the Property becomes disqualified for or loses its deferred tax status as a result of Seller's actions prior to Closing in which case such taxes shall be Seller's responsibility.

12. Seller's Representations and Warranties. Seller hereby warrants and represents to Gresham the following matters, and acknowledges that they are material inducements to Gresham to enter into this Agreement. Seller agrees to indemnify, defend, and hold Gresham harmless from all expense, loss, liability, damages and claims, including (without limitation) attorney's fees, arising out of the breach or falsity of any of Seller's representations, warranties, and covenants, which indemnity shall survive the Closing. These representations and warranties shall survive Closing. Seller warrants and represents to Gresham that the following matters are true and correct, and will remain true and correct through Closing:

12.1. Authority. Seller has full power and authority to enter into this Agreement (and the persons signing this Agreement for Seller, if Seller is not an individual, have full power and authority to sign for Seller and to bind it to this Agreement) and to sell, transfer and convey all right, title, and interest in and to the Property in accordance with this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

12.2. Unrestricted Access. The Property has unrestricted, insurable vehicular access to a public road.

12.3. Minimum Acreage: To Seller's knowledge, the Property is at least 0.60 acres in size.

12.4. Hazardous Substances. For purposes of this Agreement, the term "Hazardous Substances" has the meaning defined in and includes those substances set forth in ORS 465.200. Seller warrants and represents as follows:

(a) To Seller's knowledge, there are no Hazardous Substances in, upon, or buried on or beneath the Property and no Hazardous Substances have been emitted or released from the Property in violation of any environmental laws of the federal or state government other than those identified in the Phase II Environmental Report prepared by Assessment Associates, Inc., Environmental Consulting, dated April 24, 2016 ("Phase II Report");

(b) Seller has not brought onto, stored on, buried, used on, emitted or released from, or allowed to be brought onto, stored on, buried, used on, emitted, released from, or produced or disposed of, from, or on the Property, any Hazardous Substances in violation of any environmental laws of the federal or state government;

(c) To Seller's knowledge, no underground storage tanks are located on the Property, including (without limitation) any storage tanks that may have at one time contained any Hazardous Substances other than those identified in the April 24, 2016 Phase II Report;

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

(e) 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;

(f) Seller has not transferred, and to Seller's knowledge no other person has transferred, Hazardous Substances from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements; and

(g) There are no proceedings, administrative actions, or judicial proceedings pending or, to Seller's knowledge, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

12.5. Encroachments. To Seller's knowledge (a) all structures and improvements, including any driveways and accessory structures, are wholly within the lot lines of the Property, (b) no existing building, structure, or improvement of any kind encroaches upon the Property from any adjacent property, and (c) there are no present or past discrepancies or disputes regarding the boundaries of the Property.

12.6. Rights and Contracts Affecting Property. Except for this Agreement, Seller has not entered into any other contracts for the sale of the Property, nor do there exist any rights of first refusal or options to purchase the Property. Except for those exceptions of record listed on the Title Report, Seller owns the Property in fee, free and clear of all liens, conditions, reservations, mortgages, leases, licenses, easements, prescriptive rights, permits, or other similar encumbrances except the month-to-month Lease Agreement with Rockwood CDC as Tenant. Seller has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights", or any other development or other rights or restrictions relating to the Property, and to Seller's knowledge no such rights encumber the Property. There are no service contracts or other agreements pertaining to the Property that will bind the Property or Gresham on or after the Closing.

12.7. Possession. Except as specifically set forth in this Agreement, there are no leases, licenses, or other agreements permitting, nor has Seller entered into any course of conduct that would permit, any person or entity to occupy or use any portion of the Property. Seller shall deliver immediate and exclusive possession of the entire Property to Gresham at Closing. To the extent there are existing leases for the use of the Property other than the month-to-month Lease Agreement with Rockwood CDC as Tenant, such leases are between Seller and corporations wholly owned by Seller, and Seller represents Seller will cause cancellation of such leases effective upon closing.

12.8. Reforestation. The Property is not subject to any pending or delinquent reforestation requirements and Seller has complied with all applicable reforestation requirements. In accordance with Section 4, Seller shall deliver copies of any notices, agreements, or other documents related to past, present, or future reforestation of the Property.

12.9. Recitals. The statements and information set forth in the Recitals are true and correct.

12.10. No Legal Proceedings. There is no suit, action, arbitration, judgment, legal, administrative, or other proceeding, claim, lien, or inquiry pending or threatened against the Property or against Seller (nor is there any basis for any such proceeding) that could (a) affect Seller's right or title to the Property, (b) affect the value of the Property, or (c) subject an owner of the Property to liability. ()

12.11. Mechanic's and Other Liens. No work on the Property has been done or materials provided that would give rise to actual or impending mechanic's liens, private liens, or any other liens, against the Property.

12.12. Public Improvements or Governmental Notices. To Seller's knowledge, there are no intended public improvements which will result in the creation of any liens upon the Property, nor have any notices or other information been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property.

12.13. Breach of Agreements. The execution of this Agreement will not constitute a breach or default under any agreement to which Seller is bound or to which the Property is subject.

12.14. Bankruptcy Proceedings. 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 Seller, nor are any such proceedings contemplated by Seller.

12.15. Other Costs. Seller acknowledged that the Purchase Price covers all claims and rights of every kind whatsoever. Seller incurs no costs or damages as a result of business interruption, costs of relocation, improvement costs, or other items of a similar or related nature in connection with the acquisition of the Property by Gresham. Seller shall hold harmless, defend and indemnify Gresham for any costs or damages as a result of business interruption, costs of relocation, improvement costs, or other items of a similar or related nature incurred by any lessee of the Seller in connection with the acquisition or development of the property by Gresham.

12.16. PATRIOT Act. Neither Seller nor, to Seller's knowledge, any person having a direct or indirect beneficial interest in Seller (nor any principal, officer, or director of the foregoing), (a) appears on the Specially Designated Nationals and Blocked Person List or similar list prepared or maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and none of the foregoing is a Senior Foreign Political Figure or Prohibited Foreign Shell Bank (as such terms are defined in the PATRIOT Act (Public Law 107-56)), (b) is a person with whom a United States citizen is prohibited from transacting business under any U.S. law, regulation or Executive Order, or (c) is engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in any U.S. anti-money laundering law.

12.17. Changed Conditions. If Seller discovers any information or facts that would materially change the foregoing warranties and representations, Seller shall immediately give notice to Gresham of those facts and information. If any of the foregoing warranties and representations cease to be true before Closing, Seller shall use its best efforts to remedy the problem, at its sole expense, before Closing. If the problem is not remedied before Closing, Gresham may elect to either: (a) terminate this Agreement, in which case Gresham will have no obligation to purchase the Property and the Earnest Money shall be refunded to Gresham, or (b) extend the Closing Date for a period not to exceed forty-five (45) days or until such problem has been remedied, whichever occurs first. Should Gresham extend the Closing Date and the problem is not remedied within the 45-day timeframe, Gresham may then elect to terminate this Agreement and receive a refund of its Earnest Money; provided, however, that such election will not constitute a waiver of Gresham's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true, nor will it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

13. Condition of the Property Through Closing. Seller shall (a) maintain the Property in substantially the same condition as it was on the Effective Date, with no tree cutting, timber harvesting, or alteration of the Property in any way, (b) keep all existing insurance policies affecting the Property in full force and effect, (c) make all regular payments of interest and principal on any existing financing, (d) pay all real property taxes and assessments against the Property prior to delinquency, (e) comply with all government regulations, and (f) keep Gresham timely advised of any repair or improvement required to keep the Property in substantially the same condition as it was on the Effective Date; provided however that Buyer's sole remedy for Seller's failure to pay regular payments of interest and principal on any existing financing shall be to have such amounts deducted from amounts otherwise payable to Seller at closing; further provided that if the net proceeds at closing are insufficient to achieve satisfaction of any mortgages pursuant to the loan documents or other agreements between the Seller and their lender(s), then Seller shall deposit such additional sums as may be necessary at time of closing in order to achieve satisfaction of said existing mortgages.

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

(a) Subject to the conditions stated herein, Gresham 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) Subject to the conditions stated herein, all requisite action has been taken by Gresham in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated herein; and

(c) Subject to the conditions stated herein, the persons executing this Agreement and the instruments referred to herein on behalf of Gresham have the legal power, right, and actual authority to bind Gresham to the terms and conditions of this Agreement.

15. Legal and Equitable Enforcement of This Agreement.

15.1. Default by Seller. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller, Gresham shall be entitled to all its out-of-pocket expenses incurred in connection with the transaction, including the Earnest Money, and will have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

15.2. Default by Gresham. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Gresham, Gresham and Seller agree that it would be impractical and extremely difficult to estimate the damages that Seller may suffer. Therefore, Gresham and Seller agree that a reasonable estimate of the total net detriment that Seller would suffer in the event that Gresham defaults and fails to complete the purchase of the Property is and will be an amount equal to the Earnest Money. This amount shall be Seller's sole and exclusive remedy (whether at law or in equity), and the full, agreed, and liquidated damages for the breach of this Agreement by Gresham. The payment of said amount as liquidated damages is not intended as a forfeiture or penalty. All other claims to damage or other remedies are hereby expressly waived by Seller. Upon a termination due to a default by Gresham, this Agreement will terminate and except as set forth in this section, neither party will have any further rights or obligations hereunder or to one another.

16. Risk of Loss, Condemnation. Seller bears the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, all or any part of the Property is damaged, destroyed, condemned, or threatened with condemnation, Seller shall give Gresham written notice of such event. Gresham may terminate this Agreement by giving written notice to Seller within fifteen (15) days following receipt by Gresham of written notice from Seller of such casualty or condemnation and the Title Company shall return the Earnest Money to Gresham.

17. Notices. All notices required or permitted to be given must be in writing to the address set forth below and will be deemed given upon (a) personal service, (b) deposit in the United States Mail, postage prepaid, or (c) deposit with a nationally recognized overnight courier service. All such notices shall be deemed received (x) upon personal service, (y) three (3) days after deposit in the United States Mail, postage prepaid, or (z) one (1) day after deposit with a nationally recognized overnight courier service.

To Seller: OBB V, LLC
c/o Scott Crawford
205 SE Spokane Street #322
Portland, OR 97202

With a copy to: Todd Bouchard
Kingslin Capital
205 SE Spokane Street #322
Portland, OR 97202

To Gresham: Josh Fuhrer
Gresham Redevelopment Commission
1333 NW Eastman Parkway
Gresham, OR 97030

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manners set forth above will be effective when received by the party for whom it is intended. Telephone, email, and fax numbers are for information only.

18. Broker Commissions. It is hereby disclosed that Todd Bouchard, one of the principals of the Seller, is a licensed real estate broker in the State of Oregon. However, the parties have not engaged the services of real estate brokers to represent either party in connection with this Agreement and the transaction contemplated by this Agreement. Buyer and Seller warrant that any commissions due to brokers as a result of this Agreement or the transaction contemplated by this Agreement shall be paid by the party engaging the party's broker. In the event any person or entity asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then that party shall indemnify, hold harmless, and defend the other party from and against any such claim if based on any action, agreement, or representations made by Seller; and Gresham shall indemnify, hold harmless, and defend Seller from and against any such claim if based on any action, agreement, or representations made by Gresham.

19. Further Actions of Gresham and Seller. Gresham and Seller agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and both parties shall use their best efforts to accomplish Closing in accordance with the provisions hereof.

20. Accommodating a 1031 Exchange. If Seller desires to transfer the Property through an exchange transaction under Section 1031 of the Internal Revenue Code, Gresham will cooperate in such exchange as long as (a) such cooperation is at the sole expense of Seller, (b) Gresham assumes no additional risk or liability or loses any remedies or rights due to the exchange transaction, (c) the Closing is not delayed more than thirty (30) days as a result of the exchange, (d) Seller delivers title as agreed directly to Gresham, and (e) Gresham is not obligated to take title to any additional property. Seller shall indemnify, protect, hold harmless, and defend Gresham from and against any and all claims, damages, costs, liabilities, losses, and expenses (including reasonable attorney fees) arising out of the exchange transaction. This indemnity shall survive Closing.

21. Miscellaneous.

21.1. Recording of Memorandum. On the Effective Date the parties shall execute a memorandum of this Agreement (the "Memorandum"), which Gresham may cause to be recorded against the Property.

21.2. Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance is, to any extent, found 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, will not be affected thereby, and each such term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

21.3. Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

21.4. Survival of Representations. The covenants, agreements, representations, and warranties made herein shall survive Closing and will not merge into the Deed.

21.5. Successors and Assigns. This Agreement will be binding on and will inure to the benefit of the successors and assigns of the parties to it. Gresham may assign all or any portion of its interest in this Agreement without the consent of Seller. If an assignee assumes all the obligations of Gresham hereunder, then Gresham shall have no further liability with respect to this Agreement.

21.6. Representation. This Agreement was prepared by Gresham. Seller represents that Seller had an opportunity to consult with its own legal counsel prior to executing this Agreement. Seller waives any claim that any term or condition herein should be construed against the drafter of the Agreement. This Agreement shall be construed as if it had been prepared by both parties.

21.7. 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. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

21.8. Time of Essence. Seller and Gresham hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision contained in this Agreement. Unless otherwise specified herein, in computing any period of time described in this Agreement, whenever a date for an action required to be performed falls on a Saturday, Sunday, or a state or federal holiday, then such date shall be extended to the following business day.

21.9. Recitals. The statements and information set forth in the Recitals are hereby incorporated as if fully set forth herein and shall be used for the purposes of interpreting this Agreement.

21.10. Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement is governed by and should be interpreted in accordance with the laws of the state of 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 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.

This document will automatically expire on July 29, 2016 at 5:00 p.m., if not executed by Seller within that time and delivered to Gresham pursuant to the notice requirements contained in Section 17 above.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the last date of signature specified below.

GRESHAM REDEVELOPMENT COMMISSION	SELLER:
By: _____	By: _____
Print Name: JOSH FUHRER	Date: 8-2-16
Title: EXECUTIVE DIRECTOR	By: _____
Date: AUG 2, 2016	Date: _____

Exhibit A
Property Legal Description

To be added later