

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6755

**AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE
PROPERTY LOCATED AT 8801 SE FOSTER ROAD FOR A
PURCHASE PRICE NOT TO EXCEED \$395,000, IN
ACCORDANCE WITH THE ADOPTED LENTS TOWN CENTER
URBAN RENEWAL PLAN, FOR THE PURPOSE OF
REDEVELOPMENT**

WHEREAS, by virtue of the laws of the State of Oregon, the Portland Development Commission ("PDC") is authorized and empowered to acquire by purchase real property or any interest therein for the purpose of carrying out a duly adopted urban renewal plan;

WHEREAS, it has been determined that portions of the real property and improvement thereon located at 8801 SE Foster Road (the "Property"), in the Lents Town Center Urban Renewal Area, have the characteristics of blighted properties as described in ORS 457.010;

WHEREAS, the Property is a 0.21 acre site adjacent to the Assurety Northwest project on SE Foster Road and is considered strategic for the enhancement of the streetscape, public safety, and future redevelopment of the Lents Town Center;

WHEREAS, PDC entered into a Purchase and Sale Agreement with the owners of the Property agreeing to purchase the Property subject to satisfactory due diligence and subject to approval by the PDC Board of Commissioners, and has completed its due diligence investigation to acquire the Property; and

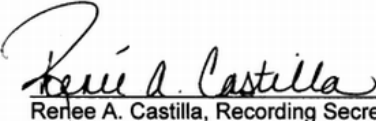
WHEREAS, Lents Town Center Urban Renewal Area funds have been budgeted for the purchase of the Property.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is hereby authorized to acquire the Property in the Lents Town Center Urban Renewal Area for an amount not to exceed \$395,000, substantially in accordance with the terms and conditions of the Purchase and Sale Agreement attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that the Executive Director is authorized to execute all documents required to effectuate the acquisition of the Property; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on December 9, 2009.



Renee A. Castilla, Recording Secretary

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered this ~~4th~~ day of ~~Oct~~, 2009 (the "**Effective Date**"), by and between CRAIG T. BAUSKE and KAREN K. BAUSKE, as tenants by the entirety ("**Seller**"), and the CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland ("**Buyer**" or "**PDC**"). PDC and Seller may be referred to jointly in this Agreement as the "**Parties**" or individually as a "**Party**".

RECITALS

- A. In furtherance of the objectives of Oregon Revised Statutes, Chapter 457, and Chapter XV of the Charter of the City of Portland, PDC has undertaken a program for the development and redevelopment of blighted areas in the City and in connection therewith prepared and approved an Urban Renewal Plan for the Lents Town Center Urban Renewal Area (the "**URA**"), which was approved by the City Council of the City on September 9, 1998 (as amended from time to time, the "**Urban Renewal Plan**");
- B. Seller is the owner of the Property (as hereinafter defined) located in the URA;
- C. PDC has found it necessary and in the public interest to implement the Urban Renewal Plan by acquiring the Property in order to renovate the building and attract additional retail and office tenants which will serve as a catalyst for further redevelopment in the URA in accordance with the Urban Renewal Plan Goals And Objectives; specifically, Goal C "Revitalization of Commercial Areas", by rehabilitating existing commercial and mixed use properties;
- D. Therefore, PDC desires to purchase from Seller and Seller desires to sell to PDC, the Property;
- E. PDC finds that the fulfillment, generally, of this Agreement, and the intentions set forth herein, are in the vital and best interest of the City and the health, safety, and welfare of its residents, and are in accord with the public purposes and provisions of the applicable state and federal laws and requirements under which the Urban Renewal Plan was adopted; and
- F. Accordingly, the Parties desire to enter into this Agreement setting forth the terms and conditions under which PDC will acquire the Property.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Purchase & Sale Agreement – Bauske Property 8801 SE Foster Rd

AGREEMENT

1. **Agreement to Purchase and Sale.** Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the Property upon the terms and conditions set forth in this Agreement.
2. **Description of the Property.** The Property that is the subject of this Agreement consists of the property located at 8801 SE Foster Road, Portland, Multnomah County, Oregon, more particularly described as follows:
 - a. The land described in Exhibit A (the “**Land**”), attached hereto and incorporated herein by this reference, including all easements, privileges, rights, rights-of-way, and any other rights or interests appurtenant to the Land;
 - b. All the fixtures and improvements currently situated on the Land (collectively, the “**Improvements**”);
 - c. All Seller’s rights, if any, in all tangible personal property, including all apparatus, equipment and appliances used in connection with the operation or occupancy of the Improvements which are located on the Land as of the date of Closing, except for those items or categories of items to remain the personal property of Seller which are listed on the inventory schedule attached to the bill of sale as set forth in Exhibit D (the “**Personal Property**”); and
 - d. All Seller’s rights, if any, in all the following intangible property now or hereafter existing with respect to the Property (the “**Intangible Property**”):
 - i. All leases, licenses, and other agreements to occupy all or any part of the Land or Improvements together with, and subject to the manner in which the same are to be prorated under this Agreement, all rents, charges, deposits, and other sums due, accrued, or to become due under such leases, licenses and other agreements, and all guaranties by third parties of any tenant’s obligations under the leases, licenses, and other agreements;
 - ii. All plans and specifications, all building permits and other permits pertaining to the construction of the Improvements, and all warranties, guaranties, and sureties now or hereafter received in connection with the construction of, or equipment located on, the Improvements;
 - iii. All licenses, permits, approvals, certificates of occupancy, and franchises relating to the zoning, land use, ownership, operation, occupancy, construction, or maintenance of the Improvements; and
 - iv. All service and maintenance contracts and equipment leases in connection with or used by Seller in the operation or maintenance of the Improvements.

The Land, Improvements, Personal Property and Intangible Property are collectively referred to in this Agreement as the “**Property**”.

3. **Purchase Price.** The purchase price for the Property shall be THREE HUNDRED NINETY-FIVE THOUSAND AND NO /100 DOLLARS (\$395,000.00) (the “**Purchase Price**”).
4. **Escrow Deposit.** Within ten (10) days after the Effective Date, Buyer shall deposit with FIDELITY NATIONAL TITLE COMPANY OF OREGON, located at 5400 SW Meadows Road, Suite #100, Lake Oswego, Oregon 97035, Attention: Kim White (the “**Escrow Agent**”), the amount of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000) (the “**Escrow Deposit**”) to secure Buyer’s obligations under this Agreement. The Escrow Deposit shall be non-refundable to Buyer, except as provided below. The Escrow Holder will invest the Escrow Deposit in a federally insured, interest-bearing account. The accrued interest will be treated as part of the Escrow Deposit and shall be disbursed pursuant to the terms of this Agreement and the Escrow Instructions (as hereinafter defined).
5. **Payment of the Purchase Price.** On the Closing Date (as hereinafter defined) the Purchase Price, subject to a credit for the Escrow Deposit and subject to adjustment as specified in this Agreement, shall be paid in immediately available funds to Seller.
6. **Property Review; Title Review; Property Documentation**

- 6.1 For a period commencing on the Effective Date of this Agreement through the first to occur of the Closing Date or December 31, 2009 (the “**Review Period**”), Buyer, as it deems necessary, shall be entitled to inspect the Property, to conduct such tests, surveys, and analyses of the Property, and review the Property Documents in order to satisfy itself concerning all aspects of the Property. Seller agrees to reasonably cooperate with Buyer in connection with the tests, investigation and inspection of the Property. Without limiting the generality of the foregoing, Buyer (and persons or entities authorized by Buyer) shall have the right and authority pursuant to a separate written Permit of Access agreement between the Parties in the form of Exhibit B, attached hereto, to go upon the Property from time to time on one or more occasions to conduct such tests, surveys, and analyses of the Property, including performing environmental, soils and subsoil tests, and engineering and drainage studies.

If Buyer determines, in Buyer’s sole and absolute discretion, that the Property is not acceptable, Buyer shall notify Seller and Escrow Agent in writing on or before expiration of the Review Period, and upon such notice this Agreement shall terminate. If upon giving notice of unacceptability, Buyer provides Seller and Escrow Agent with commercially reasonable evidence that Buyer identified environmental property conditions that to remediate or correct would necessitate an Excessive Expenditure (defined for this purpose as being more than Twenty-Five Thousand Dollars (\$25,000.00) in aggregate), then Escrow

Holder shall return the Escrow Deposit to Buyer, subject to any adjustments for prorations and other credits provided for in this Agreement, and neither Buyer nor Seller shall have any further obligations hereunder. If Buyer gives notice of unacceptability for any other reason or without supplying evidence of the necessity of an Excessive Expenditure, then Escrow Holder shall deliver the Escrow Deposit to Seller, subject to any adjustments for prorations and other credits provided for in this Agreement, and neither Buyer nor Seller shall have any further obligations hereunder.

If Buyer determines, in its reasonable judgment, that it requires additional time to perform its review and inspections provided for in this Section 6, then the Parties will negotiate in good faith an extension of the Review Period of up to 30 days, but ~~the Escrow Deposit shall then become non-refundable to Buyer.~~

WITH THE LOSS OF DEPOSITS TO THE BUYER

6.2 **Preliminary Title Report.** Within ten (10) days after the Effective Date, Seller shall cause the Escrow Agent to deliver to Buyer a Preliminary Title Report covering the Property, together with legible copies of all plats and exceptions to title referenced in the Preliminary Title Report. Within ten (10) days of its receipt of the Preliminary Title Report, Buyer shall give written notice to Seller of the exceptions that Buyer shall require Seller to remove of record at or before Closing (the “**Unacceptable Exceptions**”). Exceptions to which Buyer makes no objection are deemed “**Permitted Exceptions**”. Seller shall thereafter have ten (10) days to use its best efforts to remove such Unacceptable Exceptions at Seller's sole cost or inform Buyer in writing that it is unable to remove any such exception. All new exceptions appearing on subsequent title reports shall be considered unacceptable, unless accepted in writing by Buyer. If for any reason Seller cannot remove any of the Unacceptable Exceptions before Closing, then Buyer may elect to either:

- 6.2.1 accept title to the Property subject to such exceptions;
- 6.2.2 waive its objection in writing to Seller and elect to have any monetary lien or encumbrance removed at Closing to the extent that it can be satisfied and removed by application of all or a portion of the Purchase Price payable to Seller at Closing; or
- 6.2.3 refuse to accept the Property and terminate this Agreement, in which case Escrow Holder shall return the Escrow Deposit to Buyer, subject to any adjustments for prorations and other credits provided for in this Agreement, and neither Buyer nor Seller shall have any further obligations hereunder.

6.3 **Leases, Contracts, Other Information.** Within ten (10) days after the Effective Date, Seller shall deliver to Buyer, to the extent such items exist, copies of (i) all current leases (referred to, individually, as a “**Lease**” or, collectively, as the “**Leases**”); (ii) all current service and maintenance contracts (the “**Contracts**”); (iii) a list of all current Seller-paid utilities including the

service provider and account numbers; (iv) summary of any pending tenant or third party claims, governmental citations, and litigation; (v) summary of capital repairs and expenditures since January 1, 2004; and (vi) environmental studies or reports, engineering studies or reports, surveys, as-built drawings or other plans or specifications, or other such documents in its possession or control relating to the Property (all the documents described in this paragraph 6.3 are collectively referred to as the “**Property Documents**”).

7. **Closing.**

- 7.1 **Manner of Closing.** The Closing of the purchase and sale of the Property will occur in an escrow (“**Escrow**”) to be administered by the Escrow Agent. The Parties agree to provide the Escrow Agent with escrow instructions consistent with the terms of this Agreement (the “**Escrow Instructions**”). In the event that the Escrow Agent cannot, or refuses to, handle this transaction, the Parties shall appoint an escrow company mutually satisfactory to the Parties, which is licensed in the State of Oregon.
- 7.2 **Closing Date.** The Parties will close this transaction (the “**Closing**” or “**Closing Date**”) on or before December 31, 2009, unless otherwise agreed to in writing by the Parties.
- 7.3 **Title.** On the Closing Date, Seller shall convey fee simple title to the Property by the Deed. Fee simple title to the Property shall be good and marketable and shall be insured by an Owner's Standard Form of Title Policy issued by the Escrow Agent in the full amount of the Purchase Price, insuring fee simple title vested in Buyer or its nominees. The cost of the title policy shall be at Buyer's expense. Title insurance shall be subject only to the standard exceptions of such policy, current taxes not yet delinquent and the Permitted Exceptions. Buyer shall have the right, if Buyer so elects, to cause the title policy to be issued as an ALTA extended coverage policy, provided Buyer pays the additional premiums and survey costs associated therewith.
- 7.4 **Taxes.** All property taxes attributable to the year in which the Closing occurs shall be prorated and adjusted as of the Closing Date as an adjustment at the Closing (regardless of whether such taxes and special assessments are then due and payable or delinquent). Seller agrees that any taxes, assessments and encumbrances that will be a lien against the Property at Closing, whether or not those charges would constitute a lien against the Property at settlement, shall be satisfied of record by Seller. If Seller shall fail to do so, Buyer may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price. Regular real property taxes

payable during the year in which Closing occurs and any rents or income applicable to the Property shall be prorated as of Closing.

- 7.5 **Utilities.** Seller shall cause all meters for electricity, gas, water, sewer or other utility usage at the Property to be read on the Closing Date and Seller shall pay all charges for such utility charges which have accrued on or prior to the Closing Date. If the utility companies are unable or refuse to read the meters on the Closing Date, all charges for such utility charges to the extent unpaid shall be prorated and adjusted as of the Closing Date based on the most recent bills therefor.
- 7.6 **Other Prorations.** Except as otherwise provided herein, all other items to be prorated, including rents, operating expenses, revenues, and other income, if any, shall be prorated as of the Closing Date. For the purpose of calculating prorations, the Buyer shall be deemed to be entitled to the Property and, therefore, entitled to the income and responsible for the expenses, for the entire day following the Closing Date. The amount of all refundable tenant deposits shall be credited to the account of Buyer.
- 7.7 **Costs.** Buyer shall pay the cost of recording the Deed (as hereinafter defined), and all other recording charges, if any. Buyer shall pay the premium for the title insurance policy that Seller is obligated to provide to Buyer, and for all conveyance, excise, and/or transfer taxes payable by reason of the purchase and sale of the Property. Buyer shall pay any and all costs associated with its request for the title policy to be issued as an ALTA extended coverage policy. Buyer and the Seller shall each pay their own legal and professional fees of other consultants incurred by Buyer and Seller, respectively. Buyer shall pay the fees of the Escrow Agent.
- 7.8 **Documents to Be Deposited Into Escrow by Seller.** On or before the Closing Date, Seller shall deposit into Escrow all of the following:
- 7.8.1 An original statutory warranty deed in the form attached hereto as Exhibit C (the “**Deed**”), duly executed by Seller and notarized;
 - 7.8.2 An original certificate of non-foreign person (the “**FIRPTA Certificate**”) duly executed by Seller and notarized;
 - 7.8.3 Such documents as the Escrow Agent may require to establish the authority of Seller to complete the sale of the Property as contemplated by this Agreement;
 - 7.8.4 A Bill of Sale for the Personal Property, duly executed by Seller in the form attached hereto as Exhibit D;
 - 7.8.5 Keys to all entrance doors to the Improvements and any available keys to Personal Property located on the Property, which keys shall be properly tagged for identification; and

7.8.6 Two (2) counterparts of the lease of the Property back from Buyer to Seller in the form attached hereto as Exhibit E executed by Seller as Tenant.

7.9 **Documents and Sums to Be Deposited Into Escrow by Buyer.** On or before the Closing Date, Buyer shall deposit into Escrow the following:

7.9.1 Such funds (by wire transfer) as are necessary to complete payment of the Purchase Price in accordance with this Agreement and to pay Buyer's portion of the closing costs;

7.9.2 Such documents as the Escrow Agent may require to complete the sale of the Property as contemplated by this Agreement; and

7.9.3 Two (2) counterparts of the lease of the Property back from Buyer to Seller in the form attached hereto as Exhibit E executed by Buyer as Landlord.

7.10 **Close of Escrow.** On the Closing Date, the Escrow Agent shall:

7.10.1 Deliver the Purchase Price (as adjusted by credits, costs and pro-rations) to Seller;

7.10.2 Cause the Deed to be recorded in the Official Records of Multnomah County, Oregon;

7.10.3 Deliver to Buyer: (i) the Buyer's Title Policy (defined below), (ii) the executed FIRPTA Certificate, and (iii) the Bill of Sale; and

7.10.4 Deliver to Seller the Seller's Title Policy (if any).

7.10.5 Promptly after Closing, the Escrow Agent shall deliver to each of Buyer and Seller an accounting of all funds received and disbursed and copies of all executed and recorded or filed documents deposited with the Escrow Agent with the recording or filing information noted on such documents.

- 7.11 **Title Insurance.** On the Closing Date, the Escrow Agent shall issue to Buyer an ALTA standard form of owner's policy of title insurance (the "**Buyer's Title Policy**"), insuring Buyer as the owner of the Property subject only to non-delinquent real property taxes and assessments and the Permitted Exceptions. The Buyer's Title Policy shall have a liability limit equal to the Purchase Price. Buyer shall pay the premium for standard form coverage.
 - 7.12 Seller will deliver possession of the Property to Buyer on the Closing Date and Buyer shall immediately thereafter grant Seller a tenant's leasehold interest in the Property pursuant to the lease attached hereto in the form of Exhibit E.
8. **Seller's Representations and Warranties.** Seller hereby warrants and represents to Buyer the following matters, and acknowledges that they are material inducements to Buyer to enter into this Agreement
 - 8.1 Seller has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated herein.
 - 8.2 All requisite action has been taken by Seller in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.
 - 8.3 The person(s) executing this Agreement and the instruments referred to herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions of this Agreement.
 - 8.4 This Agreement and all documents required to be executed by Seller are and shall be valid, legally binding obligations of, and enforceable against, Seller in accordance with their terms.
 - 8.5 Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Seller is a party, or, affecting the Property.
 - 8.6 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.

- 8.7 There are no pending, threatened or, to Seller's knowledge, contemplated actions, suits, arbitrations, claims or proceedings, at law or in equity, affecting the Property, or in which Seller is, or will be, a party by reason of Seller's ownership of the Property, other than those instituted by the Buyer with respect to obtaining the necessary entitlements and approvals to develop the Property.
- 8.8 At the time of delivery, all copies of the Property Documents and other writings delivered by Seller to Buyer are true, correct, complete and accurate copies of the originals, and to Seller's knowledge, all such documents delivered by third parties to Buyer are true, correct, complete and accurate copies. In no case, however, does Seller make any representations or warranties with respect to the conclusions, test results, information reported, recommendations or views of any third parties expressed or reported in any such documents except as expressly provided in this Agreement.
- 8.9 No person or entity other than Seller claims any rights of ownership in and to the Property or to purchase the Property.
- 8.10 All operations or activities upon, or use or occupancy of the Property, or any portion thereof, by Seller or any consultant or agent of Seller under Seller's direction and control for such time as Seller has owned the Property does not and did not violate any state, federal and local laws and regulations governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether accidental or intentional) of any toxic or hazardous substances, materials or wastes. Seller has not engaged in or permitted any dumping, discharge, disposal, spillage or leakage (whether legal or illegal, accidental or intentional) of such toxic or hazardous substances, materials or wastes, at, on, in or about, the Property, or any portion thereof in violation of applicable laws. To Seller's actual knowledge, there is no proceeding or inquiry by any governmental authority with respect to any of the matters set forth in this subparagraph. Except as set forth in any environmental report delivered by Seller to Buyer, Seller has no actual knowledge of the presence of any toxic or hazardous substances, materials or wastes, at, on, in or about, the Property, or any portion thereof.
- 8.11 As of the date of 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, options to purchase the Property, leases, mortgages, licenses, prescriptive rights, permits, or other rights or agreements, written or oral, express or implied, which in any way affects or encumbers the Property or any portion thereof, with the exception of matters of record or as otherwise disclosed to Buyer in writing. 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, and will not, through Closing.

8.12 Liens, Notices. There are no:

- 8.12.1 Intended public improvements or private rights, which will result in the creation of any liens upon the Property or any portion thereof.
- 8.12.2 Uncured notices which have been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property or any portion thereof;
- 8.12.3 Actual or impending mechanic's liens against the Property or any portion thereof.

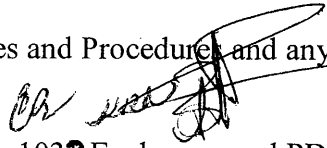
8.13 If Seller discovers any information or facts that would materially change the foregoing warranties and representations, Seller shall immediately give notice to Buyer of those facts and information. If any of the foregoing warranties and representations ceases to be true before Closing, Seller shall work with the Buyer using commercially reasonable efforts to remedy the problem prior to Closing. If the problem is not remedied before Closing, Buyer may elect to either: 1) terminate this Agreement in which case Buyer shall have no obligation to purchase the Property and the Escrow Payment shall be refunded to Buyer; or 2) defer the Closing Date for a period not to exceed thirty (30) days or until such problem has been remedied, whichever occurs first.

8.14 No representation or warranty by Seller in this Agreement (including the Exhibits attached hereto), nor any other certificate or document furnished by Seller, contains or will contain as of the date hereof or as of Closing any untrue statement of fact, or omits or will omit to state as of the date hereof or as of Closing any fact necessary to make the statements contained herein or therein not misleading, and if discovered, such untrue statement or omission can result in termination of this Agreement by Buyer without any further liability to Seller.

9. **Seller's Representations, Warranties and Covenants Regarding the Property through Closing.** Seller further represents, warrants, and covenants that, until this transaction is closed or terminated, whichever comes earlier, Seller shall:

- 9.1 Maintain the Property in its present state, with no alteration of the Property in any way, excepting ordinary repairs;
- 9.2 Without Buyer's prior written consent, not renew or modify any leases or enter into any additional leases of the Property or any portion thereof;
- 9.3 Continue to maintain its current casualty and liability insurance policies on the Property until the Closing Date; and
- 9.4 Comply with all government regulations.

10. **PDC's Representations and Warranties.** As of the Effective Date and the Closing Date, PDC hereby represents and warrants to Seller as follows:

- 10.1 PDC is the duly authorized and acting urban renewal agency of the City of Portland, Oregon, validly exists under the laws of the State of Oregon and has all requisite power and authority to carry on its business as now conducted.
- 10.2 PDC has full power and authority to enter into this Agreement in accordance with its terms, and all requisite action has been taken by PDC in connection with the execution of this Agreement.
- 10.3 This Agreement has been duly executed and delivered by PDC and, subject to the conditions contained herein, constitutes a valid, binding and enforceable obligation of PDC.
- 10.4 PDC shall comply with its Relocation Policies and Procedures and any legal requirements related to relocation. 
- 10.5 PDC acknowledges that Seller intends to do a 1038 Exchange, and PDC agrees to cooperate as reasonably necessary to effect this exchange so long as doing so does not result in any additional cost to PDC.

11. **Conditions to Closing.** These conditions are intended solely for benefitted party's benefit and the benefitted party shall have 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, or other date as set forth herein, the benefitted party shall have the right to terminate this Agreement.

11.1 **Buyer's Conditions.** Buyer's obligation to close the purchase and sale transaction contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

- 11.1.1 Approval by the PDC Board of Commissioners at a public meeting of the transaction contemplated in this Agreement.
- 11.1.2 At the Closing Date, there will have been no material adverse changes related to or connected with the Property.
- 11.1.3 Seller's fulfillment of each of its obligations under this Agreement.
- 11.1.4 The continued accuracy of all Seller's representations and warranties in this Agreement.

11.2 **Seller's Conditions.** Seller's obligation to close the purchase and sale transaction contemplated by this Agreement is subject to the satisfaction of each of the following conditions:

- 11.2.1 Buyer's fulfillment of each of its obligations under this Agreement.

11.2.2 The continued accuracy of all Buyer's representations and warranties in this Agreement.

12. **Condition of Property.** Buyer acknowledges and agrees that Buyer will be concluding the purchase of the Property based upon Buyer's inspection and investigation of the Property, and is purchasing the Property subject to the representations and warranties set forth herein.
13. **Risk of Loss.** Seller shall bear the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, all or part of the Property is damaged by fire or by any other cause of any nature, Seller shall give Buyer written notice of such event. Buyer may terminate this Agreement by giving written notice to Seller within fifteen (15) days following receipt by Buyer of written notice from Seller of such casualty.
14. **Notices.** All notices in connection with this Agreement will be deemed given at the time of delivery if made by personal delivery, by facsimile, or by delivery by private express courier service; if mailed, three days after deposit by certified or registered mail, postage prepaid.

To Seller: Craig T. Bauske & Karen K. Bauske
8801 SE Foster Road
Portland, Oregon 97266

With Copy: Craig T. Bauske & Karen K. Bauske
941 Pyrite Avenue
Henderson, Nevada 89011

To Buyer: Portland Development Commission
Bernie Kerosky, Project Manager
222 NW Fifth Avenue
Portland, Oregon 97209-3859

With Copy: Portland Development Commission
General Counsel
222 NW Fifth Avenue
Portland, Oregon 97209-3859

The foregoing addresses may be changed by written notice, given in the same manner.

15. **Brokerage Commissions.** Each of the parties represents and warrants that it has engaged no real estate broker in connection with this transaction and no brokerage commissions shall be owing or payable by either Party.
16. **Further Actions of Buyer and Seller.** Buyer and the 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 shall use their best efforts to accomplish the Closing in accordance with the provisions herein.

17. Legal and Equitable Enforcement of This Agreement.

- 17.1 Default by the Seller. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by Seller, Buyer shall be entitled to the refund of the Purchase Price, and shall be entitled to seek specific performance of Seller's obligations.
- 17.2 Default by Buyer. In the event Closing and the consummation of the transactions herein contemplated do not occur by reason of any default by Buyer, Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages that the Seller may suffer. Accordingly, Buyer and Seller agree that a reasonable estimate of the total net detriment that Seller would suffer in the event of any such default by Buyer under this Agreement is and shall be, and Seller's sole and exclusive remedy (whether at law or in equity) is and shall be an entitlement to the amount of \$20,000 of the Escrow Deposit. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty, but is intended to represent liquidated damages to Seller. Upon such default by Buyer, this Agreement shall be terminated and neither Party shall have any further rights or obligations hereunder.

18. Miscellaneous.

- 18.1 Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 18.2 Waivers. The failure of either Party at any time to require performance of any provision of this Agreement will not limit that Party's right to enforce such provision. No waiver of any breach of any covenant or provision contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of the provision itself or any other covenant or provision. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
- 18.3 Successors and Assigns. Buyer may not assign its interest in this Agreement to any other person or entity without the express, written consent of Seller, which shall not be unreasonably withheld. In the event that an assignee assumes the obligations of Buyer hereunder, then Buyer shall have no further liability with

respect to this Agreement, and this Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.

- 18.4 Headings. Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- 18.5 Interpretation of Agreement. This Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision. The paragraph headings contained in this Agreement are for ease of reference only and shall not be used in constructing or interpreting this Agreement.
- 18.6 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 here.
- 18.7 Time of Essence. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision.
- 18.8 Counting of Days. The word "day" in this Agreement refers to a business day. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included. If the time for performance of any of the terms of this Agreement falls on a Saturday, Sunday, or legal holiday, then the time for performance will be extended to the next business day thereafter.
- 18.9 Amendments and Modifications. Any modifications to this Agreement shall be made in writing and executed by the Parties, and approved by the PDC Board.
- 18.10 Recitals. The Recitals set forth at the beginning of this Agreement are incorporated into the body of this Agreement as if fully set forth therein.
- 18.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and when taken together shall constitute one and the same instrument.
- 18.12 Survival. The terms and provisions of Section 8 shall survive the Closing.
- 18.13 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties hereto and their

respective successors and assigns, any rights or remedies under or by reason of this Agreement.

18.14 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 shall be governed by and interpreted in accordance with the laws of the State of Oregon.

19. **Statutory Notice.**

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. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

BUYER:

The CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION

By: 

Bruce A. Warner, Executive Director

SELLER:

Craig T. Bauske and Karen K. Bauske

By: 

Craig T. Bauske

By: 

Karen K. Bauske

Approved as to Form:



Legal Counsel 

EXHIBIT A

Lots 3 and 4, Block 4, ORPHA PARK, in the City of Portland, Multnomah County,
Oregon

EXHIBIT B

PERMIT OF ENTRY

THIS PERMIT OF ENTRY ("Permit") is effective as of _____, 2009, between Craig T. Bauske and Karen K. Bauske, as tenants by the entireties ("Grantor") and the Portland Development Commission, the duly designated urban renewal agency of the City of Portland ("Permittee") (individually, "Party" and collectively, "Parties").

RECITALS

- A. Grantor holds fee title to that certain improved real property with the following physical street address and legal description:

8801 SE Foster Road, Portland, Multnomah County, Oregon 97266;

Lots 3 and 4, Block 4, ORPHA PARK, in the City of Portland, Multnomah County, Oregon

(the "Property"), as generally shown on the drawings attached hereto as Exhibit A.

- B. Permittee intends to access the Property for the purpose of performing such invasive and non-invasive environmental, archaeological, geotechnical, survey and other inspections, analysis and testing of the Property (the "Work") as Permittee deems appropriate in furtherance of its due diligence investigation for the potential acquisition of the Property. Any work Permittee performs pursuant to this Permit shall be for the sole benefit of the Permittee.
- C. Permittee will obtain and pay for all required permits to perform the Work, will perform the Work at Permittee's sole expense and shall bear responsibility for any damage caused by the Work as set forth below.

NOW THEREFORE, in consideration of the mutual promises contained herein and the performance thereof, the Parties agree to the following:

AGREEMENT

1. GRANT OF PERMIT

During the term of this Permit, Permittee and its contractors and agents may enter upon the Property to perform the Work.

2. DAMAGE TO GRANTOR FACILITIES

If Permittee should fail to acquire title to the Property on or before the outside date for closing contemplated in the Purchase and Sale Agreement between the parties executed contemporaneously with this Permit, Permittee shall bear the cost for repair or restoration of any damage to the Property caused by Permittee, its employees, agents, or contractors in connection with Permittee's use of the Property and the Work.

3. DAMAGE TO PERSONS OR PROPERTY

Subject to the limitations of Oregon law with respect to the liability of public bodies, Permittee shall indemnify Grantor from and against any and all liability, claims, damages, losses and expenses arising out of or in connection with Permittee's use of the Property and the Work. Unless otherwise agreed in writing between the Parties, Permittee shall not be responsible for the remediation of any environmental conditions that were in existence at the Property prior to the entry granted hereby.

4. TERM OF PERMIT

- a) The term of this Permit is for approximately ninety (90) days. The Permit shall commence upon execution by both parties and shall expire on December 31, 2009, or the date of closing of the acquisition of the Property by Permittee, if at all, whichever is sooner. Permittee may terminate this Permit without cause by giving at least ten (10) days' prior written notice to Grantor specifying the date and time of termination. Grantor may terminate this Permit only if Permittee is in breach of any term or condition of the Permit and by giving Permittee at least ten (10) days' prior written notice specifying the breach and the date and time of termination. Permittee shall have a reasonable opportunity to cure the specified breach and if Permittee does substantially cure the specified breach or commences a cure and is diligently pursuing the cure to completion, this Permit shall not terminate on the date and time specified in the notice from Grantor and will remain in full force and effect.
- b) Upon any termination or expiration of this Permit, Permittee shall quit the Property, and return the Property to a condition equivalent to the condition it was in immediately prior to the activities of Permittee on the Property except as otherwise agreed to herein. In particular, if Permittee shall acquire title to the Property, Permittee shall be under no obligation to repair or restore any damage done to the Property by the Work.

5. NOTICES

Notices under this agreement shall be made in writing by U.S. Mail or facsimile to:

GRANTOR	PERMITTEE
Craig T. Bauske & Karen K. Bauske 8801 Foster Road Portland, OR 97266	Bernie Kerosky Project Manager Urban Renewal Department Portland Development Commission 222 NW Fifth Avenue Portland, OR 97209
Tel: 503-888-6033	Tel: 503-823-3200 Fax: 503-823-3369

6. GOVERNING LAW

This Permit shall be construed and interpreted in accordance with the laws of the State of Oregon. Further, the Parties stipulate that this Permit is deemed to have been made and entered into by them in the State of Oregon.

7. ENTIRE AGREEMENT

This Permit constitutes the entire agreement between the Parties relating to access to the Property for conduct of the Work. This Permit is being granted in conjunction with Permittee's due diligence investigation for the potential acquisition of the Property. No waiver, consent, modification or change of terms of this Permit shall bind either Party unless in writing and signed by both Parties.

8. ATTORNEY FEES

In the event that any action is filed in relation to this Permit, the unsuccessful Party in the action shall pay to the successful Party, in addition to all sums that either Party may be called on to pay, a reasonable sum for the successful Party's attorney fees (including on appeal and review) and related costs and expenses.

9. SEVERABILITY

The provisions of this Permit are severable, and if one or more provisions are determined to be unenforceable, in full or in part, by a court of competent jurisdiction, the validity of the remaining provisions, including any partially unenforceable provisions, to the extent enforceable, shall not be affected in any respect whatsoever.

10. COUNTERPARTS

This Permit may be executed in any number of counterparts, all of which when taken together shall constitute one agreement binding all of the parties hereto, notwithstanding that all such parties are not signatories to the same counterpart.

11. SPECIAL CONDITIONS

- a) All of Permittee's contractors shall be responsible for safety and security measures for their operations, equipment and employees.
- b) Grantor shall address all work related questions to the Construction Services Manager, Dave Obern, Telephone number (503) 823-3737.

IN WITNESS WHEREOF, the Parties have caused it to be executed on the date first indicated above.

GRANTOR

By: _____
Signature of Craig T. Bauske

Date: _____

By: _____
Signature of Karen K. Bauske

Date: _____

PERMITTEE

Portland Development Commission

By: _____
Director Signature

Date: _____

Printed Name

APPROVED AS TO FORM:

PDC Legal Counsel

Exhibit A to Permit of Entry - Permitted Area of Bauske Property at 8801 SE Foster Road, Portland, OR Identified within Red Lines and Cross-Hatch

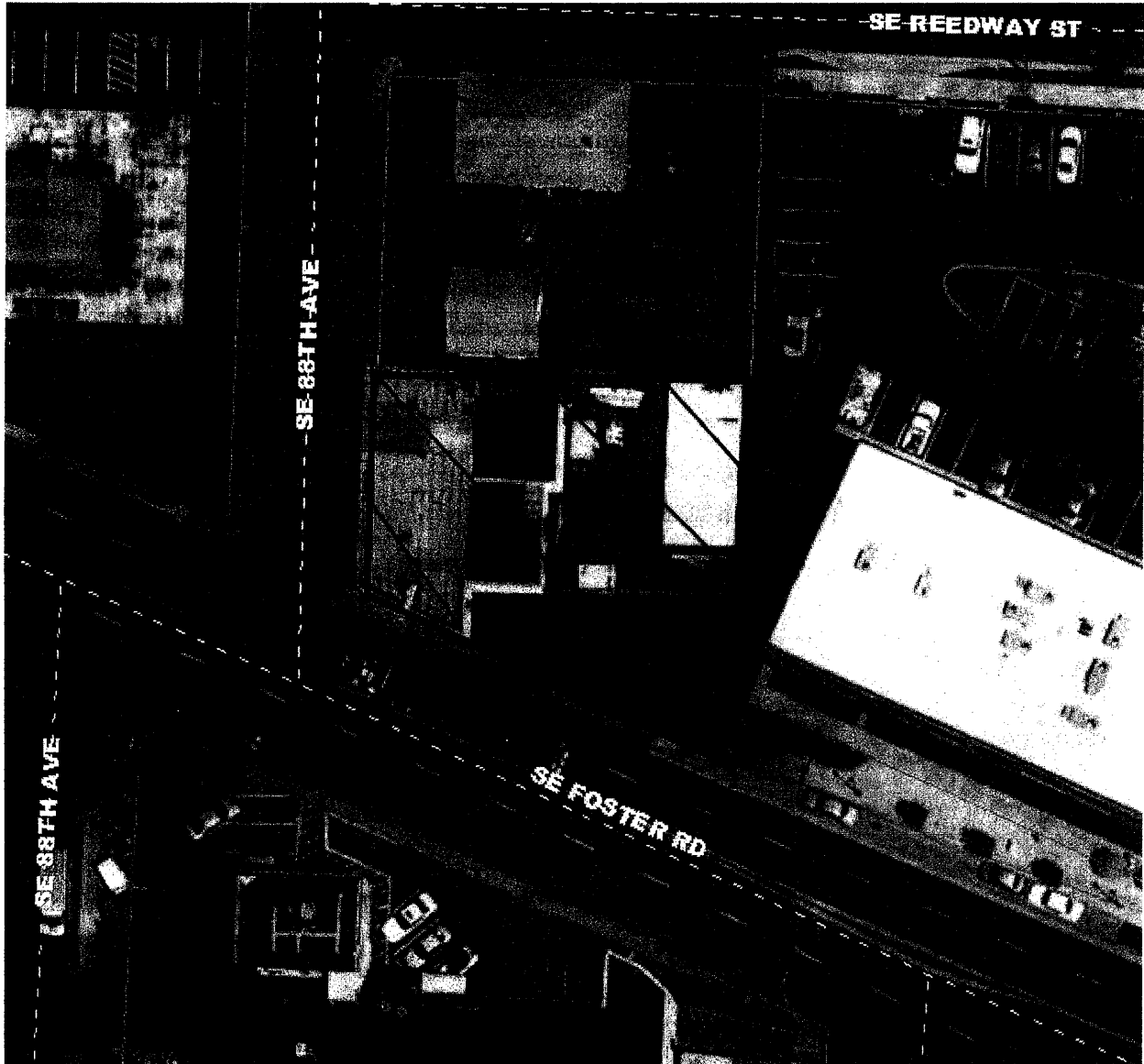


EXHIBIT C
FORM OF DEED

After recording return to and until
a change is requested, send all tax
statements to:

Portland Development Commission
Attn: Real Estate Services
222 NW 5th Ave
Portland, Oregon 97209-3859

STATUTORY WARRANTY DEED

Craig T. Bauske and Karen K. Bauske, as tenants by the entireties (“Grantor”), convey and warrant to the City of Portland, acting by and through the Portland Development Commission (“Grantee”), the following described real property free of encumbrances except as specifically set forth in the attached Exhibit A:

Lots 3 and 4, Block 4, ORPHA PARK, in the City of Portland, Multnomah County, Oregon

The true consideration for this conveyance is the sum of Three Hundred Ninety-Five Thousand Dollars (\$395,000.00).

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. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Purchase & Sale Agreement – Statutory Warranty Deed Form – Bauske Property 8801 SE Foster Rd

EXHIBIT D

Bill of Sale

For good and valuable consideration, the receipt of which is hereby acknowledged, Craig T. Bauske and Karen K. Bauske ("Seller") do hereby sell, assign, transfer, and convey to Portland Development Commission ("Buyer") all personal property owned by Seller and located on the Land as of the date of Closing, except for those items or categories of items to remain the personal property of Seller which are listed on the inventory schedule attached hereto.

Seller hereby represents and warrants to Buyer that Seller is the lawful owner of this personal property, which personal property is free and clear of all liens, encumbrances, conditional sales contracts, security interests, and claims, and that Seller has all lawful right and authority to make this conveyance.

DATED: _____, 20_____.

SELLER:

By: _____
Craig T. Bauske

Date Executed: _____

By: _____
Karen K. Bauske

Date Executed: _____

Bill of Sale – Schedule 1

Inventory of the items or categories of items of Personal Property located on the Land as of the date of Closing which are to be excluded from the foregoing Bill of Sale and are to remain the property of Seller:

EXHIBIT E

LEASE

1. **PARTIES & PURPOSE.** This lease ("Lease") is made this ___ day of ___, 2009, between Craig T. Bauske and Karen K. Bauske ("Tenant") and Portland Development Commission, the duly designated urban renewal agency of the City of Portland ("Landlord"). Immediately prior to the execution of this Lease, the Premises were owned by Tenant and sold to Landlord. Upon closing of the purchase of the Premises, the Landlord agreed to lease back the Premises to Tenant as an accommodation to allow the Tenant a period in which to remove those items of personal property belonging to Tenant that could not conveniently have been removed prior to the closing of the purchase of the Premises.
2. **PREMISES.** Landlord hereby leases to Tenant, and Tenant hereby takes and hires from Landlord the improved real property located at 8801 SE Foster Road in the City of Portland, County of Multnomah, State of Oregon, and more particularly described in Exhibit A attached hereto (the "Premises"). On or before the commencement date Landlord shall deliver possession of the Premises to Tenant. Tenant agrees to accept the Premises in their existing "as is" and "with all faults" condition and Landlord shall have no obligation to remodel, renovate, or otherwise modify the Premises to accommodate Tenant's occupancy. By taking possession of the Premises, Tenant accepts the Premises and all improvements therein, appurtenances thereto and equipment thereof in the condition in which they then be, and waives any right or claim against Landlord arising out of the condition of the Premises.
3. **TERM.** The term of this Lease shall be a period of approximately five (5) months commencing on the date of closing of the Landlord's purchase of the Premises from Tenant (anticipated to be on or before December 31, 2009), and ending May 31, 2010 (the "Term"). This Lease may be sooner terminated by either party on thirty (30) days advance written notice.
4. **RENT.** Tenant shall pay Landlord as rent for the Premises during the Term of the Lease the sum of One Hundred Dollars (\$100.00) per month. The first such payment is due at closing of the purchase of the Premises and payments for subsequent months are due in advance on the first day of each succeeding month. There shall not be any proration for a partial month.
5. **USE.** The Premises shall be used solely for the storage of the personal property of the Tenant that was physically present on the Premises at the time of closing of the purchase of the Premises by Landlord and for no other use or purpose. In particular, Tenant shall not be allowed to bring new or additional property or equipment onto the Premises and Tenant shall not be allowed to reside in or conduct any commercial or charitable business activities from the Premises. Tenant shall comply with all applicable statutes, ordinances, rules, regulations, orders, judgments and other requirements regulating Tenant's use of the Premises, including the costs thereof. Tenant shall also comply with any rules and regulations that Landlord may from time to time reasonably adopt for the safety, care and cleanliness of the Premises or the preservation of good order therein. Tenant shall not use or permit the Premises to be used in any manner that

will tend to create a nuisance. Landlord, Landlord's agents and representatives, shall have the right to enter upon the Premises at reasonable times for the purpose of inspecting the same, for the purpose of making repairs or improvements to the Premises or the building in which the Premises are located or for any other lawful purpose.

6. **MAINTENANCE AND ALTERATIONS.** Tenant shall keep the Premises clean and free of debris and shall repair any damage caused by Tenant's acts or omissions. Tenant shall not make any alterations to the Premises without Landlord's consent, which may be withheld in Landlord's sole discretion. Upon expiration of the Term or earlier termination of this Lease, Tenant shall surrender the Premises in the same condition as existed upon the delivery of possession to Tenant, except for reasonable wear and tear and damage by fire or other casualty.

7. **INSURANCE AND INDEMNITY.** Tenant shall maintain a standard form policy of bodily injury and property damage insurance insuring Landlord and Tenant against liability to third persons arising out of the use or occupancy of the Premises during the Term of the Lease (including any early access period or any extension of the Term), with a combined single coverage limit of not less than \$1,000,000, and such workmen's compensation or employer liability insurance as may be required by law. Tenant also shall maintain casualty insurance protecting against loss or damage to Tenant's merchandise, fixtures, equipment and personal property located in the Premises. Tenant hereby assumes all risk of damage to property or injury to persons in upon or about the Premises arising from any cause other than the gross negligence or intentional misconduct of Landlord; and Tenant hereby releases Landlord and waives all right of recovery against Landlord arising out of or incident to any of the perils insured against by Tenant. Tenant shall, and hereby agrees to indemnify and hold Landlord harmless against all claims, actions, causes of action, damages, liabilities, expenses, costs and attorneys' fees, including expenses, costs and attorney's fees on appeal, arising from or incident to (a) Tenant's use of the Premises, (b) any act, omission or negligence of Tenant or Tenant's agents, representatives, employees or invitees in entering upon or performing any act relating to the Premises, (c) any accident, injury or damage whatsoever caused to any person or property in the Premises, or (d) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease.

8. **DAMAGE OR DESTRUCTION.** If the Premises are totally destroyed this Lease shall automatically terminate as of the date of destruction. If the Premises are partially destroyed or damaged, Landlord shall have the right to terminate this Lease by notice to Tenant within 15 days after the date of such partial damage or destruction. If this Lease is not so terminated, Landlord will restore the Premises to substantially the same condition as existed prior to such partial destruction or damage.

9. **UTILITIES.** Landlord shall pay for electricity, gas and water used during the full term of the Lease, but all trash removal costs will be paid by Tenant.

10. **DEFAULT AND REMEDIES.** Tenant shall be in default under this Lease where Tenant fails to perform any covenant or obligation imposed on Tenant hereunder, if such failure continues for more than 15 days after written notice from Landlord; provided, however, that Purchase & Sale Agreement – Lease Form – Bauske Property 8801 SE Foster Rd

where more than 15 days are reasonably required for such performance, Tenant shall be allowed such additional time as is reasonably required therefor. Landlord shall be in default under this Lease where Landlord fails to perform any covenant or obligation imposed on Landlord hereunder, if such failure continues for more than 15 days after written notice from Tenant; provided, however, that where more than 15 days are reasonably required for such performance, Landlord shall be allowed such additional time as is reasonably required therefor. Upon the occurrence of a default by either party, the other party shall have all rights and remedies permitted at law or in equity. No remedy or election shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

11. **HOLDING OVER.** If Tenant remains in possession of the Premises with Landlord's consent after expiration of the Term, including any allowable extension, such occupancy shall be a tenancy from month to month upon the same terms and conditions.

12. **MISCELLANEOUS.** This Lease shall, at Landlord's option, be subordinate to any mortgage or deed of trust that may exist or hereafter be placed upon the Premises or any part thereof and to any and all advances to be made thereunder and to all renewals, replacements, modifications and extensions thereof. This Lease constitutes the entire agreement between Landlord and Tenant with respect to the occupancy or use of the Premises following the closing of the purchase of the Premises by Landlord from Tenant whether written or oral, and may be modified only in writing. If either party commences any legal action or proceeding to enforce or interpret this Lease the party prevailing after trial or appeal shall be entitled to recover reasonable attorneys' fees and costs from the party not prevailing. This Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, administrators, personal representatives, successors and assigns. Any notice required or permitted under this Lease shall be in writing and shall be delivered personally or sent either by nationally recognized overnight courier service or by first class mail (with postage prepaid and certified or registered with return receipt requested), addressed in either case to Landlord or Tenant at the address noted next to the signature of such party or to such other address as may be designated by notice given in accordance with this paragraph. Any notice delivered by overnight courier service or mail shall be effective on the date of delivery or refusal as reflected in the records of such courier service or the United States Postal Service. The submission of this lease form by Landlord for examination

[the remainder of this page intentionally left blank]

does not constitute an offer to lease or a reservation of an option to lease. In addition, Landlord and Tenant acknowledge that neither of them shall be bound by the representations, promises or preliminary negotiations with respect to the Premises made by their respective employees or agents. It is their intention that neither party be legally bound in any way until this Lease has been fully executed and delivered by both Landlord and Tenant.

LANDLORD

Landlord's Address:

Portland Development Commission

222 NW Fifth Avenue
Portland, OR 97209

By: _____

Its: Executive Director

Approved as to form by Legal Counsel: _____

TENANT

Tenant's Address:

Craig T. Bauske and Karen K. Bauske

941 Pyrite Avenue
Henderson, NV 89011

By: _____

By: _____

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6755

Title:

AUTHORIZING THE EXECUTIVE DIRECTOR TO ACQUIRE PROPERTY LOCATED AT 8801 SE FOSTER ROAD FOR A PURCHASE PRICE NOT TO EXCEED \$395,000, IN ACCORDANCE WITH THE ADOPTED LENTS TOWN CENTER URBAN RENEWAL PLAN, FOR THE PURPOSE OF REDEVELOPMENT

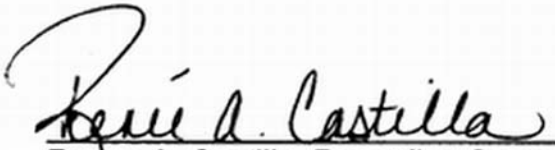
Adopted by the Portland Development Commission on December 9, 2009.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: December 11, 2009