

**CITY OF TIGARD, OREGON
CITY CENTER DEVELOPMENT AGENCY
RESOLUTION NO. 12-02**

A RESOLUTION APPROVING THE PURCHASE OF THE SAXONY PACIFIC PROPERTIES, (TAX MAP NOS.: 2S102AB02000 AND 2S102AB02100), AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE CITY CENTER DEVELOPMENT AGENCY TO TAKE ALL NECESSARY ACTION TO COMPLETE THE PROPERTY PURCHASE ON BEHALF OF THE AGENCY

WHEREAS, the City Center Development Agency has the goal of acquiring property to provide public space in the City Center Urban Renewal District; and

WHEREAS, the City Center Development Agency also has the goal of redeveloping key parcels in the City Center Urban Renewal District; and

WHEREAS, the Saxony-Pacific properties, two adjacent tax lots within the boundaries of the City Center Urban Renewal District, which front Fanno Creek, present a unique opportunity to accomplish both goals; and

WHEREAS the agency and the property owner have reached a tentative agreement on the purchase/ sale of the properties. This agreement is subject to City Council/City Center Development Agency Board approval

NOW, THEREFORE, BE IT RESOLVED, by the Tigard City Center Development Agency that:

SECTION 1: The City Center Development Agency Board agrees to the terms of the Purchase Agreement and Escrow Instructions, (Exhibit A), including the purchase price of \$650,000 (or the appraised value if higher as defined in the Purchase and Sale Agreement) for the Saxony-Pacific properties.

SECTION 2: The City Center Development Agency Board authorizes the CCDA Executive Director to take all necessary action to complete the Saxony-Pacific property purchase on behalf of the agency in accordance with the terms and conditions of the Purchase Agreement. Such approval shall include, but not be limited to, execution of the Purchase Agreement and Escrow Instructions and closing documents.

SECTION 3: This resolution is effective immediately upon passage.

PASSED:

This 15th day of September, 2012.

Michael P. Buehner
Chair Pro Tem CCDA Director Buehner– City of Tigard
City Center Development Agency

ATTEST:

Catherine Wheatley
Recorder – City of Tigard City Center Development Agency

PURCHASE AGREEMENT

AND

ESCROW INSTRUCTIONS

BETWEEN: Saxony-Pacific, LLC, an Oregon limited liability company (“**Seller**”)

And: The City Center Development Agency, the Urban Renewal Agency of the City of Tigard (“**Purchaser**”)

DATED: September ____, 2012 (“**Effective Date**”)

RECITALS

A. Seller owns two parcels of real property in the city of Tigard, county of Washington, Oregon, commonly known as 12533, 12535 and 12537 SW Main Street, Tigard, OR 97224 (Tax Map Nos.: 2S102AB02000 and 2S102AB02100), both of which are more fully described on the attached and incorporated Exhibit A (collectively, the “**Property**”).

B. Seller desires to sell the Property, and Purchaser desires to purchase the Property pursuant to the terms set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as set forth below.

**ARTICLE 1
DEFINED TERMS**

1.1 Cash. The term “**Cash**” means (i) United States currency, (ii) a check currently dated and payable to Escrow Holder, or (iii) U.S. funds credited by wire transfer into Escrow Holder’s bank account.

1.2 Closing. The process described in Article 9 of this Agreement.

1.3 Closing Date. Closing shall occur on January 3, 2013, or on such other date as the parties may agree upon in writing. If this transaction is closed as part of Seller’s prospective 1031 exchange, the Closing Date may occur as late as ninety (90) days after January 3, 2013.

1.4 Contingency Period. The period that ends 120 days after the Effective Date.

1.5 Deed. A special warranty deed in the form of Exhibit B attached hereto which shall be used to convey the Property from Seller to Purchaser.

1.6 Earnest Money. The cash to be deposited into Escrow pursuant to Section 2.2 of this Agreement in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

1.7 Environmental Laws. Any federal, state, or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority existing now or in the future that classify, regulate, list, or define Hazardous Materials.

1.8 Escrow Holder. First American Title, located at 9200 SE Sunnybrook Blvd, Suite 400, Clackamas, Oregon, 97015, Phone: (503) 659-0069.

1.9 Escrow. The escrow opened by Escrow Holder pursuant to this Agreement.

1.10 Hazardous Materials. Any toxic or hazardous substance, material, waste, pollutant, contaminant, or infectious or radioactive material, including but not limited to those substances, materials, waste, chemicals, or mixtures that are (or that contain any) substances, chemicals, compounds, or mixtures regulated, either now or in the future, under any Environmental Law.

1.11 Property. The term “**Property**” as defined in this Agreement, includes land described in Exhibit A, together with all improvements, rights, privileges, servitudes and appurtenances thereunto belonging or appertaining, including all right, title, and interest of Seller, if any, in and to the streets, alleys, and rights-of-way adjacent to the land, which will be transferred to Purchaser at Closing.

1.12 Property Documents. The documents relating to or affecting the Property to the extent they exist and are in Seller’s possession: land use permits, land use approvals, permits, licenses, maps, development agreements, surveys and studies relating to the Property prepared by third parties.

1.13 Purchase Price. Cash in the amount determined by operation of Section 2.3 of this Agreement.

ARTICLE 2 EARNEST MONEY AND PURCHASE PRICE

2.1 Sale of Property. Subject to the terms and conditions in this Agreement, Seller agrees to sell the Property to Purchaser, and Purchaser agrees to buy the Property from Seller.

2.2 Earnest Money. Within ten (10) days after the opening of Escrow as set forth in Section 3.1, Purchaser shall deposit the Earnest Money into Escrow. Escrow Holder shall hold the Earnest Money in a non-interest-bearing account. The Earnest Money shall be refundable to Buyer until the Contingency Period (defined in Section 1.4) expires or the conditions precedent to Closing set forth in Section 4 of this Agreement are waived in writing by Buyer; thereafter, the Earnest Money shall not be refundable except in the event of a Seller default. The Earnest Money shall be applicable to the Purchase Price at Closing.

2.3 Purchase Price.

2.3.1 Except as provided in Section 2.3.2 below, the “Purchase Price” shall be the greater of Six Hundred Fifty Thousand and No/100 Dollars (\$650,000.00) (“Base Purchase Price”) or the Appraised Value (defined below). During the Contingency Period the Purchaser will obtain an appraisal of the Property from a certified appraiser (“Appraisal”). The parties agree that the opinion of value reflected in the Appraisal shall be the “Appraised Value” for purposes of this Section 2.3.1.

2.3.2 In establishing the Base Purchase Price the parties have assumed that the Property complies with applicable environmental laws and that that no remediation of contaminants is required on or related to the Property. During the Contingency Period the Purchaser shall obtain an environmental site assessment of the Property from a qualified environmental consultant (“ESA”). If the ESA concludes that contamination exists on the Property which must be remediated in order for the Property to comply with applicable environmental laws: (i) this Section 2.3.2 shall be used to determine the Purchase Price, (ii) the Purchaser will engage the services of appropriate consultants to estimate required remediation costs (“Remediation Costs”), and (iii) the Purchase Price shall be: (A) the higher of the Base Purchase Price or Appraised Value as determined under Section 2.3.1, minus (B) the Remediation Costs. Seller has sole discretion to terminate the transaction if “Remediation Costs” are unacceptable to Seller.

2.3.3 The Purchase Price shall be paid by Purchaser in Cash to Seller at the Closing.

ARTICLE 3 DELIVERIES TO ESCROW HOLDER

3.1 Opening of Escrow.

3.1.1 Within three (3) business days after the Effective Date, Purchaser and Seller shall open Escrow by depositing with Escrow Holder a fully executed photocopy of this Agreement for use as escrow instructions. Escrow Holder shall execute the Consent of Escrow Holder which appears at the end of this Agreement and deliver a fully executed consent to Purchaser and Seller.

3.1.2 Purchaser and Seller hereby authorize Escrow Holder to take necessary steps for the Closing of this transaction pursuant to the terms of this Agreement.

3.1.3 Purchaser and Seller may jointly or separately prepare additional escrow instructions. Escrow Holder may also provide general instructions. If there is any inconsistency between the provisions of any of these instructions and this Agreement, the provisions of this Agreement shall control.

3.2 Purchaser’s Deliveries. At or before Closing, Purchaser shall deposit into Escrow (i) the Earnest Money, (ii) the balance of the Purchase Price, (iii) an executed and acknowledged counterpart acceptance of the Deed, and (iv) all other documents and instruments reasonably requested by Escrow Holder for Closing.

3.3 Seller's Deliveries. At or before Closing, Seller shall deliver into Escrow (i) an executed and acknowledged counterpart of the Deed, (ii) an executed Certificate of Non-Foreign Status, pursuant to Section 1445(b)(2) of the Internal Revenue Code, certifying that Seller is a non-foreign person, and (iii) all other documents and instruments reasonably requested by Escrow Holder for Closing. At Closing, Seller shall deliver possession of the Property to Purchaser.

ARTICLE 4 CONDITIONS PRECEDENT TO CLOSING

4.1 Approval of Property Documents. Within ten (10) days after the Effective Date, Seller shall deliver all Property Documents within Seller's possession or control to Purchaser. During the Contingency Period, Purchaser shall have the right to analyze the Property Documents and determine, in Purchaser's sole, absolute and arbitrary discretion, whether the Property is suitable for Purchaser's intended use.

4.2 Approval of the Property. During the Contingency Period, Purchaser shall have the right to analyze the Property and determine, in Purchaser's sole, absolute and arbitrary discretion, whether the Property is suitable for Purchaser's intended use. Purchaser shall have the right to enter onto the Property to conduct any and all tests, investigations, and inspections deemed necessary by Purchaser including, without limitation, Level I and II environmental site assessments, evaluation of natural resources, a structural and geotechnical assessment, and an appraisal. All such investigations and studies shall: (i) be preceded by at least five (5) business days written notice to Seller, (ii) not interfere with the existing tenants on the Property, (iii) be conducted during normal business hours unless otherwise agreed between the Parties, and (iv) be conducted by Purchaser at its sole cost and expense. All of Purchaser's entries onto the Property pursuant to this Section 4.2 shall be coordinated through Seller's broker, John Kennedy; Mr. Kennedy shall be permitted to accompany Purchaser and its agents during any such inspection. Purchaser agrees to provide Seller with copies of all inspection reports, test results and environmental site assessments obtained pursuant to this Section 4.2. Purchaser shall defend, indemnify and hold Seller harmless for, from, and against any claim, loss, or liability, or any claim of lien or damage which arises in connection with any entry on the Property by Purchaser or any activities on the Property by Purchaser, its agents, employees, and independent contractors; provided, however, that Purchaser shall have no obligation to indemnify, defend, or hold harmless Seller from any condition of the Property discovered by Purchaser, or from any loss of marketability of the Property as a consequence of such discovery.

4.3 Approval of Title.

4.3.1 Preliminary Report. Within ten (10) days after the Effective Date, Seller shall provide Purchaser with a preliminary title report issued by the Escrow Holder, describing title to the Property, and including legible copies of all recorded documents described in the preliminary report and plotted easements (collectively, the "**Preliminary Report**"). On or before ten (10) days after Purchaser's receipt of the Preliminary Report, Purchaser shall deliver written notice of approval or disapproval of matters disclosed in the Preliminary Report, which approval or disapproval shall be in Purchaser's sole and absolute discretion. Failure of Purchaser to deliver notice of disapproval of any matters disclosed in the Preliminary Report within such

ten (10)-day period shall be deemed rejection of all such matters. Unless waived pursuant to Section 4.3.3, the approved matters disclosed in the Preliminary Report along with the standard printed exceptions on a form of title insurance policy, shall be the “**Permitted Exceptions**” included as exceptions in the Title Policy, defined in Section 4.3.4.

4.3.2 Right to Cure Disapproval of Preliminary Report. If Purchaser delivers notice of disapproval pursuant to Section 4.3.1 above, Seller may elect in writing, within five (5) days thereafter, to agree to remove or otherwise cure, to Purchaser’s reasonable satisfaction, any disapproved item(s) prior to Closing. Notwithstanding any provision in this Agreement to the contrary, prior to Closing, Seller shall be obligated to remove any deeds of trust and other monetary liens (other than liens created by Purchaser and liens for non-delinquent taxes and assessments) and any exceptions to title caused by Seller.

4.3.3 Failure to Cure Disapproved Items. If Seller gives Purchaser written notice within the above-referenced five (5)-day period that Seller will remove or otherwise cure a disapproved matter, but Seller is unable to remove such disapproved matter at or before Closing, Purchaser may elect to either: (i) terminate this Agreement and receive a full refund of the Earnest Money, or (ii) waive in writing its prior disapproval of such item and accept title subject to such previously disapproved item, by delivering written notice of Purchaser’s election to Seller prior to Closing. If Seller either: (i) gives Purchaser timely notice within such five (5)-day period that Seller has elected not to attempt to remove or otherwise cure all of the disapproved item(s) or (ii) fails to notify Purchaser within such five (5)-day period whether or not Seller will remove or otherwise attempt to cure the disapproved item(s), Purchaser shall have ten (10) days after Purchaser’s receipt of Seller’s notice to notify Seller in writing of Purchaser’s election to (a) waive in writing its prior disapproval of such item(s) and accept title subject to such previously disapproved item(s) or (b) terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser. If Purchaser shall fail to notify Seller timely of its election to proceed under clause (a) above, Purchaser shall be deemed to have elected to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser.

4.3.4 Title Policy. Seller shall be unconditionally committed to procure from Escrow Holder upon the Closing, an ALTA standard coverage owner’s policy of title insurance for the Property, with a liability limit in the amount of the Purchase Price, and insuring fee title vests in Purchaser subject only to the Permitted Exceptions (collectively, the “**Title Policy**”). At Purchaser’s option, Purchaser may elect to have the Title Policy issued with endorsements and/or in an ALTA extended coverage form, provided that Purchaser obtains, and pays the cost of, any survey required for extended coverage and pays any additional costs associated with issuance of such policy pursuant to section 8.4 of this Agreement.

4.4 Approval of Leases & Estoppel Certificates.

4.4.1 Leases. Within thirty (30) (10) days of the Effective Date, Seller will provide to Purchaser copies of all current leases affecting the Property, and copies of any and all documents other than leases which provide for or discuss any matters affecting the occupancy of the Property by tenants and other third parties, including but not limited to options to lease, relocation rights, termination rights, and/or expansion or contraction rights (collectively, the “**Lease Documents**”). Purchaser may terminate this Agreement at any time during the

Contingency Period if Purchaser shall determine in the exercise of its sole discretion that the Lease Documents are not acceptable. Upon expiration of the Acceptable Tenancies (as defined in Section 4.4.2 below), Purchaser shall provide such relocation rights and benefits as are required by law.

4.4.2 No Tenancies. Except for tenancies in existence as of the Effective Date, which shall be permitted to continue for a period of one up to (1) year from and after the Closing Date (“Acceptable Tenancies”), as of the Closing Date, Seller shall have either (i) terminated all tenancies provided for in the Lease Documents which are unacceptable to Purchaser and rendered the Property free of any and all other occupants whatsoever; and (ii) assigned all of Seller’s interest in all Lease Documents (including transfer of any security deposits held by Seller under approved Lease Documents) (“Assignment of Leases”), which are acceptable to Purchaser. Purchaser shall give Seller notice of all unacceptable tenancies no later than forty (40) days prior to the closing date.

4.5 Contingency Failure. Notice of Termination; Failure to Notify. If Purchaser determines, in Purchaser’s sole, absolute, and arbitrary discretion, that either the Property Documents, the Property, the title or the Property Leases are not suitable, Purchaser may terminate this Agreement and cancel Escrow by delivering written notice of termination to Seller prior to the expiration of the Contingency Period, in which case this Agreement shall immediately terminate and Escrow Holder shall immediately return the Earnest Money to Purchaser.

ARTICLE 5 COVENANTS AND AGREEMENTS

5.1 Damage or Destruction. If, prior to the Closing, all or a material part of the Property is damaged or destroyed, Purchaser may terminate this Agreement and receive a refund of the Earnest Money.

5.2 Personal Property. Prior to Closing, Seller shall remove all Seller’s personal property located on the Property.

ARTICLE 6 SELLER’S REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Seller. Seller represents and warrants that, as of the Effective Date, the end of the Contingency Period, and the Closing, that all of the representations and warranties contained in this Agreement are and shall be true and correct. Each of Seller’s representations and warranties is material to and is being relied upon by Purchaser and the continuing truth thereof shall constitute a condition precedent to Purchaser’s obligations hereunder. Seller represents and warrants to Purchaser as follows:

6.1.1 Proof of Authority. Seller has authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and shall deliver such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of the Seller to act for or bind the Seller, as may be reasonably required by the Escrow Holder and/or the Purchaser.

6.1.2 Title to the Property. Seller has sole legal and beneficial fee title to the Property, and has not granted any person or entity any right or interest in the Property except as set forth in this Agreement and in the Preliminary Report. Seller agrees to transfer the Property to Purchaser via the Deed, subject only to the Permitted Exceptions.

6.1.3 Property Documents, Lease Documents; No Defaults. To Seller's knowledge, the Property Documents and Lease Documents delivered by Seller to Purchaser are true, correct and complete copies and there are no other documents or instruments that would constitute Property Documents or Lease Documents that have not been delivered by Seller or otherwise made available to Purchaser. Seller has no knowledge of any default by Seller under any Property Documents or Lease Documents. Seller warrants that the services associated with the Property Documents and Lease Documents, have been, or will be, paid for by Seller through the Closing Date, no later than Closing.

6.1.4 Pending Transactions, Suits or Proceedings. To Seller's knowledge, there are no transactions, suits, proceedings, litigation (including zoning or other land use regulation proceedings), condemnation, or investigations pending or threatened against or affecting the Property or Seller as the owner of the Property in any court at law or in equity, or before or by any governmental department, commission, board, agency or instrumentality.

6.1.5 Defects. To Seller's knowledge, without independent investigation, there are no latent or other defects or conditions on or about the Property which would cause injury or damage to persons or property, or which would have a material adverse effect on lawful uses of the Property.

6.1.6 No Further Encumbrances. As long as this Agreement remains in force, Seller will not transfer, option, mortgage, pledge, or convey its interest in the Property or any portion thereof nor any right therein, nor shall Seller enter into any agreement granting to any person or entity any option to purchase or rights superior to Purchaser with respect to the Property or any part thereof.

6.1.7 Hazardous Materials. To Seller's knowledge, without independent investigation, no Hazardous Materials have been generated, disposed of, deposited or released (or caused to be generated, disposed of or released) on, within, under, about or from the Property. To Seller's knowledge, without independent investigation, no other party or person has used, stored, transported, generated, disposed of or released on, within, under, about or from the Property any Hazardous Materials. Without limiting the foregoing, neither Seller nor, to Seller's knowledge, without independent investigation, any other party, has installed, operated or maintained any underground storage tanks on or adjacent to the Property, and the Property is not now, and has never been, in violation and is not currently under investigation for the violation of any Environmental Laws. To Seller's knowledge, without independent investigation, there is no asbestos or lead paint on the Property. Seller hereby assigns to Purchaser as of the Closing, to the extent assignable, all claims, counterclaims, defenses or actions, whether at common law or pursuant to any other applicable federal or state or other laws, if any, that Seller may have against third parties to the extent relating to the existence of Hazardous Materials in, at, on, under or about the Property.

6.1.8 Access; Possession. The Property has legal and physical access to a publicly-dedicated street or road. Except as reflected in the Lease Documents, there are no leases or tenancies in effect on the Property and possession thereof can and will be delivered to Purchaser upon Closing free of any tenants or occupants whatsoever.

6.1.9 Construction or Other Liens. Seller warrants that, at the time of Closing, no work, labor or materials have been expended, bestowed or placed upon the Property, adjacent thereto or within any existing or proposed assessment district which will remain unpaid at close of escrow or upon which a lien may be filed.

6.1.10 No Option or Right of First Refusal to Acquire Premises. Seller represents that no person or entity has any right of first refusal or option to acquire any interest in the Property or any part thereof.

6.1.11 Conduct Pending Full Payment; Covenants.

6.1.11.1 Conduct of Property. Seller hereby agrees that Seller will not modify, cancel, extend or otherwise change in any material manner any of the terms, covenants or conditions of the Property Documents or Lease Documents, nor enter into any additional leases as to the Property without Purchaser's written consent (which may be withheld in Purchaser's sole discretion), nor enter into any other agreements having a material effect on the Property without the prior written consent of Purchaser, (which Purchaser may withhold in its sole discretion).

6.1.11.2 No Alterations. Seller will not make any material alterations to the Property prior to the Closing.

6.1.11.3 Maintain Physical Condition. Seller, at its sole cost and expense, will maintain and keep the Property in approximately the same condition, reasonable wear and tear, damage by casualty excepted, between the Effective Date and the Closing Date, and will keep Purchaser timely advised any change to its physical condition prior to the Closing Date.

ARTICLE 7
PURCHASER'S REPRESENTATIONS AND WARRANTIES

7.1 Purchaser's Representation and Warranties. Purchaser represents and warrants that, as of the Effective Date, the end of the Contingency Period, and Closing, all of the representations and warranties of Purchaser contained in this Agreement are and shall be true and correct. Each of Purchaser's representations and warranties is material to and is being relied upon by Seller and the continuing truth thereof shall constitute a condition precedent to Seller's obligations hereunder. Purchaser represents and warrants to Seller as follows:

7.1.1 Authority. The execution and delivery of this Agreement has been duly authorized and approved by all requisite action of Purchaser, and the consummation of the transactions contemplated hereby will be duly authorized and approved by all requisite action of Purchaser, and no other authorizations or approvals will be necessary in order to enable Purchaser to enter into or to comply with the terms of this Agreement.

7.1.2 Binding Effect of Documents. This Agreement and the other documents to be executed by Purchaser hereunder, upon execution and delivery thereof by Purchaser, will have been duly entered into by Purchaser, and will constitute legal, valid and binding obligations of Purchaser. To Purchaser's actual knowledge, neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement or instrument to which Purchaser is a party or by which it is bound.

ARTICLE 8 PRORATED FEES AND COSTS

8.1 Prorations. Escrow Holder will prorate between the parties, based on the latest information available to Escrow Holder, all taxes, bonds and assessments (“**Taxes**”) for the Property, except as provided in Section 8.2 below. If, after the Closing, either party receives a bill for any Taxes, the parties agree that the Taxes shall be prorated between the parties to the Closing Date. The party receiving the bill for the Taxes shall notify the other party in writing of the amount of such Taxes and the party receiving that notice shall pay its prorated share of such Taxes within thirty (30) days of demand therefore, but not later than ten (10) days prior to delinquency. The parties' obligations under this Section shall survive Closing.

8.2 Penalties. Any penalties that would be due as a result of removal of the Property from any tax deferral program shall be charged to Seller as though the Property were removed from such program on the Closing Date. Seller's obligations under this Section shall survive Closing.

8.3 Seller's Fees and Costs. Seller shall pay (i) the cost for the Title Policy, except for any costs associated with Extended Coverage required by Purchaser; (ii) one-half of all Escrow Holder's fees; and (iii) all transfer taxes. Except as otherwise provided for above, Seller shall not be obligated to pay for any fees and costs.

8.4 Purchaser's Fees and Costs. Purchaser shall pay (i) the entire cost for any Extended Coverage or endorsements for the Title Policy; (ii) one-half of the Escrow Holder's escrow fee; and (iii) all recording charges.

8.5 Other Costs. Except as otherwise provided in this Agreement, each party shall bear and pay the expense of its own attorneys, accountants and other professionals incurred in negotiating and closing this Agreement.

ARTICLE 9 CLOSING

9.1 Closing. Escrow Holder shall close Escrow by (i) recording the Deed; (ii) confirming execution of all documents necessary for Closing; and (iii) delivering funds and documents as set forth herein, when and only when all terms and conditions of this Agreement have been met and each of the conditions set forth below have been satisfied:

9.1.1 Funds and Instruments. All funds and instruments required pursuant to this Agreement have been delivered to Escrow Holder.

9.1.2 Satisfaction of Conditions Precedent. Each of the conditions precedent set forth in the Agreement have been either satisfied or waived.

9.1.3 Liens and Encumbrances. All liens and encumbrances required to be paid by Seller have been paid and satisfied at Seller's sole expense, including without limitation any trust deed or mortgage affecting the Property. The Property shall be conveyed free of encumbrances, except for the Permitted Exceptions and those expressly accepted or waived in writing by Purchaser pursuant to the terms of this Agreement.

9.1.4 Assignment of Lease Documents. If applicable, Seller shall have executed the Assignment of Leases attached to this Agreement as Exhibit C.

ARTICLE 10 RECORDATION AND DISTRIBUTION OF FUNDS AND DOCUMENTS

10.1 Recorded Documents. Escrow Holder shall cause the County Recorder of Washington County to mail the Deed to Purchaser.

10.2 Conformed Copies. Escrow Holder shall at Closing deliver to Seller and Purchaser (i) a copy of the Deed, conformed to show recording date, and conformed copies of each document recorded to place title in the condition required by this Agreement; (ii) a copy of each non-recorded document received hereunder by Escrow Holder; and (iii) copies of all documents deposited into Escrow to the parties herein.

10.3 Payment of Funds at Closing. Escrow Holder shall deliver at Closing all amounts as set forth in the final, approved closing statement.

10.4 Original Documents. If applicable, Escrow Holder shall at Closing deliver to Purchaser the Original Assignment of Leases.

ARTICLE 11 DEFAULT AND REMEDIES

11.1 Purchaser's Default. If Purchaser breaches this Agreement, which breach Purchaser fails to cure within thirty (30) days after receipt of written notice thereof from Seller, Purchaser shall be in default hereunder and Seller is entitled, as Seller's sole and exclusive remedy, to liquidated damages pursuant to this Article. If Escrow fails to close due to Purchaser's default, Purchaser shall pay all Escrow cancellation charges.

11.2 Seller's Remedies. In the event of Purchaser's default under this Agreement, the Earnest Money shall be forfeited by Purchaser and retained by Seller as liquidated damages. Such amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Purchaser's default, since the precise amount of such compensation would be difficult to determine. Seller shall have no right to any other damages, claims or actions against Purchaser. By initialing this provision in the spaces below, Seller and Purchaser each specifically affirm their respective agreement to this liquidated damages provision as Seller's sole and exclusive remedy for Purchaser's default, and agreement that the sum is a reasonable sum.

Purchaser's Initials _____

Seller's Initials _____

11.3 Seller's Default. If Seller breaches this Agreement, which breach Seller fails to cure within thirty (30) days after receipt of written notice thereof from Purchaser, Seller shall be in default of this Agreement. If Escrow fails to close due to Seller's default, Seller shall pay all Escrow cancellation charges.

11.4 Purchaser's Remedies. In the event of Seller's default under this Agreement, Purchaser shall have the right to either (i) terminate this Agreement, and upon such event the Earnest Money shall be immediately refunded to Purchaser; or (ii) seek an action for specific performance in order to enforce Purchaser's rights hereunder. No provision of this Agreement shall be construed as waiving any of Purchaser's rights regarding eminent domain.

ARTICLE 12 ASSIGNMENT

12.1 Assignment by Purchaser. Purchaser may not assign or otherwise transfer any of its rights or obligations under this Agreement.

ARTICLE 13 GENERAL PROVISIONS

13.1 Attorneys Fees. If any action is instituted between Seller and Purchaser in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs of action, including, without limitation, attorneys' fees and costs as fixed by the court therein, at trial and on any appeal.

13.2 Construction of Agreement. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

13.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. The foregoing sentence shall in no way affect the validity of any instruments executed by the parties in the form of the exhibits attached to this Agreement.

13.4 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Oregon.

13.5 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

13.6 Modification. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by all signatories hereto.

13.7 Real Estate Brokerage Commission. Purchaser is represented by Jeff Sholian of Jones Lang LaSalle. Purchaser agrees to be responsible for payment of all compensation, commission or fee to Jeff Sholian and Jones Lang LaSalle in accordance with the terms and conditions of the agreement between Purchaser and Jones Lang LaSalle. In the event a claim by Jeff Sholian or Jones Lang LaSalle for real estate commissions, fees or compensation arise in connection with this transaction, Purchaser shall indemnify, defend and hold harmless the Seller from any loss or damage, including attorneys' fees that Purchaser suffers because of said claims. Seller is represented by John A. Kennedy of Pacific Real Estate Investments, LLC. Seller agrees to be responsible for payment of all compensation, commission or fee to John Kennedy and Pacific Real Estate Investments, LLC in accordance with the terms and conditions of the agreement between Seller and Pacific Real Estate Investments, LLC. In the event any claims by any third party other than Jeff Sholian and Jones Lang LaSalle for real estate commissions, fees or compensation arise in connection with this transaction, Seller shall indemnify, defend and hold harmless the Purchaser from any loss or damage, including attorneys' fees that Purchaser suffers because of said claims. The obligations of the parties in the indemnity provisions of this Section 13.7 shall survive Closing or the termination of this Agreement.

13.8 Notice and Payments. Any notice or document to be given pursuant to this Agreement must be delivered either in person, deposited in the United States mail duly certified or registered, return receipt requested with postage prepaid, by electronic mail, or by Federal Express or other similar overnight delivery service marked for next business day delivery. Notices shall be effective upon receipt if delivered personally, upon confirmation of receipt if sent by electronic mail, on the next day if sent by overnight courier, or two (2) days after deposit in the mail if mailed. Any party listed below may designate a different address, which shall be substituted for the one specified below, by written notice to the others.

If to Seller: Saxony-Pacific LLC
 c/o Hans Finke
 PO Box 1565
 Wilsonville OR 97070

With a copy to: John A. Kennedy
 Pacific Real Estate Investments, LLC
 15280 NW Central Drive, Suite 202-10
 Portland OR 97229

If to Purchaser: City Center Development Agency of the City of Tigard
 Attn: Sean Farrelly
 City Hall
 13125 SW Hall Blvd
 Tigard OR 97223

With a copy to : Jeff Bennett

Jordan Ramis PC
Two Centerpointe Drive, 6th Floor
Lake Oswego, OR 97035

13.9 Remedies Cumulative. Except as specifically set forth herein, all rights and remedies of Purchaser and Seller contained in this Agreement shall be construed and held to be cumulative.

13.10 Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

13.11 Successors and Assigns. Subject to limitations expressed in this Agreement, each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the successors-in-interest, assigns, and representatives of the parties hereto. As used in the foregoing, "successors" shall refer to the parties' interest in the Property and to the successors to all or substantially all of their assets and to their successors by merger or consolidation.

13.12 Time of the Essence. Time is of the essence of each and every provision of this Agreement.

13.13 Legal Representation. Seller acknowledges that this is a legal document and that Seller has been advised to obtain the advice of legal counsel in connection with its review and execution of this Agreement. Seller covenants that it will not deny the enforceability of this Agreement on the basis that Seller elects not to obtain legal counsel to review and approve this Agreement.

13.14 Waiver. No waiver by Purchaser or Seller of a breach of any of the terms, covenants or conditions of this Agreement by the other party shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default by Purchaser or Seller hereunder shall be implied from any omission by the other party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect a default other than as specified in such waiver. The consent or approval by Purchaser or Seller to or of any act by the other party requiring the consent or approval of the first party shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

13.15 Negation of Agency and Partnership. Any agreement by either party to cooperate with the other in connection with any provision of this Agreement shall not be construed as making either party an agent or partner of the other party.

13.16 Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or such holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or such holiday.

13.17 Statutory Disclaimer. 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 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

13.18 Counterparts. This Agreement may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals.

13.19 Section 1031 Exchange Cooperation. In the event Seller elects to utilize this transaction as part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, Purchaser agrees to cooperate with Seller as reasonably necessary to accommodate such exchange, but only so long as such cooperation is at no cost or additional expense to Purchaser.

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

SELLER:

Saxony-Pacific LLC

By: _____

Its: _____

PURCHASER:

City Center Development Agency, the Urban
Renewal Agency of the City of Tigard

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

By: _____

City Attorney

Exhibit A – Property
Exhibit B – Deed
Exhibit C - Assignment of Leases

CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to (i) accept the foregoing Agreement, (ii) be the Escrow Holder under said Agreement, and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder; provided, however, the undersigned shall have no obligations, liability or responsibility under this Consent or otherwise unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned.

DATED: _____, 2012.

FIRST AMERICAN TITLE

By: _____
Name: _____
Title: _____

EXHIBIT A

[To be Provided by Title Company]

EXHIBIT B

AFTER RECORDING RETURN TO:

City Center Development Agency of the City of Tigard
Attn: Executive Director /City Manager
City Hall
13125 SW Hall Blvd
Tigard OR 97223

UNTIL A CHANGE IS REQUESTED
SEND TAX STATEMENTS TO:

City Center Development Agency of the City of Tigard
Attn: Executive Director /City Manager
City Hall
13125 SW Hall Blvd
Tigard OR 97223

This space provided for recorder's use.

SPECIAL WARRANTY DEED

Saxony-Pacific LLC, an Oregon limited liability company, Grantor, conveys and specially warrants to CITY CENTER DEVELOPMENT AGENCY, THE URBAN RENEWAL AGENCY OF THE CITY OF TIGARD, Grantee, the following described real property free of encumbrances created or suffered by the Grantor except as specifically set forth herein:

See Exhibit A attached hereto.

The true consideration for this conveyance is _____. This conveyance is made subject to the matters set forth on Exhibit B attached hereto.

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. 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

Exhibit A

EXHIBIT B

Exceptions

EXHIBIT C
Assignment of Leases