

EXHIBIT A**Legal Description**

A portion of Tract 6, HIDEAWAY HILLS, situated in the Southwest one-quarter of Section 31, Township 1 South, Range 5 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, more particularly described as follows:

Beginning at the most Southerly corner of said Lot 6; thence North $36^{\circ} 27'$ West along the Southwesterly line thereof, a distance of 318.95 feet to a point; thence North $48^{\circ} 13'$ East a distance of 431.20 feet to a point on the Northeasterly line of said Tract 6; thence South $33^{\circ} 48'$ East along said Northeasterly line, a distance of 157.10 feet to a point of tangent curve; thence Southeasterly along the arc of a 300.00 foot radius curve to the left, through a central angle of $17^{\circ} 16'$ an arc distance of 90.41 feet (the chord bears South $42^{\circ} 26'$ East 90.06 feet) to the most Easterly corner of said Lot 6; thence South $38^{\circ} 56'$ West along the Southeasterly line thereof, a distance of 445.90 feet to the point of beginning.

TOGETHER WITH roadway easement disclosed by the duly recorded plat.

EXHIBIT B**PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT ("the Agreement") is made and entered into as of the last date of signature indicated below ("the Effective Date"), by and between the City of Portland, municipal corporation, by and through its Water Bureau ("City" or "the Buyer") and the Arthur O. Standard & Dolores E. Standard ("Standard" or "the Seller").

RECITALS

- A. Standard is the owner of approximately 120,094 SF (2.75 acres) of real property, described as State ID 15E31C 01700 and located at 40730 SE Latigo Lane in Clackamas County, Oregon, together with the improvements thereon, if any, and all rights appurtenant thereto including but not limited to access rights, timber rights, water rights, grazing rights, and development and mineral rights (hereinafter referred to as "the Property" or "the Latigo Lane Property").
- B. The Property has structures located within its boundaries. One of its structures is encroaching on the conduit lines that serve to provide water to the City of Portland. The City has determined that this structure must be removed. The Seller had this property for sale and was discovered to be in violation before a sale could conclude.
- C. City is authorized to enter into this Agreement pursuant to Ordinance No. _____, but must obtain final approval from City Council prior to Closing.
- D. The City desires to purchase this property from Standard in order to protect its interest for the conduit routes to the City of Portland.

The terms of this Agreement are as follows:

TERMS

- 1. **Conveyance of the Latigo Lane Property.** Standard agrees to convey the Property to City upon the terms and conditions set forth in this Agreement. Buyer agrees to purchase the Property for the amount of Four Hundred Twenty-Five Thousand Dollars \$425,000. The Parties agree that this exchange is fair.
- 2. **Closing Date.** This transaction shall close on or before thirty (30) days from the date all conditions precedent has been satisfied or waived, or as soon thereafter as reasonably possible, unless otherwise extended as set forth herein (the "Closing Date" or "Closing").
- 3. **Payment of Purchase Price.** The Purchase Price shall be payable as follows:

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- a) A Cash Transaction. Within three (3) business days from the Effective Date, Buyer shall deposit, via a wire transfer, a certified check, or a cashiers' check in the amount of Four Hundred Twenty-Five Thousand Dollars (\$425,000) ("Escrow Deposit") to Ticor Title ("Escrow Holder: and "Title Company"), 111 SW Columbia St., Suite 1000, Portland, OR 97021. At Closing, the entire amount shall be paid in accordance with the all escrow instructions between the parties.

4. Conditions Precedent to Closing.

- a) Conditions Precedent to City's Obligations. Unless otherwise stated, these conditions are intended for the benefit of both parties and these conditions may only be waived by mutual written agreement. In the event that any condition is not satisfied or waived on or before Closing or other date as set forth herein, City shall have the right to terminate this Agreement and exercise any other remedy available.
- i) City Council Approval. This Agreement is expressly conditioned upon the formal approval by the City Council, in the form of a resolution or ordinance, of the terms and conditions set forth in this Agreement. This condition may only be waived by City.
- ii) Title. At Closing, the Seller shall convey fee simple title to the Property by bargain and sale deed. Title shall be good and marketable and shall be insurable as such at ordinary rates pursuant to an ALTA standard owner's title insurance policy issued at Closing by the Title Company free and clear of all liens and encumbrances except for the Permitted Exceptions (defined below).
- iii) Title Report. Buyer has ordered and provided to Seller preliminary title reports covering the Latigo Lane property in the title report. Within twenty (20) days of the Effective Date, whichever is later, Buyer shall give written notice to Seller of the exceptions to title that Buyer shall require Seller to remove from the record at or before Closing (the "Unacceptable Exceptions"). Mortgages, deeds of trust, liens, environmental violations, delinquent taxes, or other financial obligations secured by the Property are automatically deemed Unacceptable Exceptions. Exceptions to title not objected to are referred to as "Permitted Exceptions." Seller shall thereafter have fifteen (15) days to use its best efforts to remove such exceptions at Seller's sole cost or inform Buyer in writing that it is unable to remove any such exception. All new exceptions to title appearing on subsequent title reports shall be considered

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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 accept title to the Property subject to such exceptions, or; refuse to accept the Property and terminate this Agreement:

- iv) Environmental Review. Before Closing, Buyer may, at its expense and in its sole discretion, engage consultants, surveyors, or engineers to conduct environmental studies, soil analyses, surveys, building inspections, and appraisals. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer copies of all relevant environmental studies or analyses within Seller's control. Buyer and its agents shall have the right to enter the Property at reasonable times before Closing to make such tests, inspections, soil analyses studies, surveys, appraisals and other investigations as Buyer may require (collectively, "investigations"), and Seller shall cooperate therewith. Any areas disturbed by such investigations shall be restored by Buyer, at Buyer's expense, to their pre-inspection condition. It shall be a condition to Closing that the results of such investigations be acceptable to Buyer in its sole discretion. If Buyer notifies Seller prior to Closing that Buyer cannot accept the Property due to the results of its investigations under this section, and Buyer and Seller have not reached an agreement regarding the items disclosed by the investigations, then Buyer may, at its option and upon written notice to Seller, terminate this Agreement of Purchase and Sale.
- v) Boundaries/Access; Delivery of Surveys and Reports. It is a condition to Closing that (1) there are no discrepancies in the boundaries of the Latigo Lane Property; (2) there are no encroachments or prescriptive or adverse rights on or affecting the Property or any portion thereof; and (3) the Property has insurable vehicular access. Within ten (10) days after execution of this Agreement, Seller shall deliver to Buyer a copy of all surveys made of the Property and in Seller's possession or control. If Seller knows of any such surveys, studies or reports that are not in Seller's possession, Seller shall notify Buyer of the existence of such reports.
- vi) Representations, Warranties, and Covenants of Seller. Seller shall have duly performed every act to be performed by Seller hereunder and Seller's representations, warranties, and covenants set forth in this Agreement shall be true and correct as of the Closing Date.

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- vii) No Material Changes. At the Closing Date, there shall have been no material adverse changes related to or connected with the "Latigo Lane Property."
 - viii) Seller's Deliveries. Seller shall have timely delivered each item to be delivered by Seller pursuant to this Agreement.
 - ix) Title Insurance. As of the close of the escrow, the Escrow Holder shall have issued or committed to issue the title policy to Buyer.
 - x) Taxes. Seller agrees that all 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. 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.
- b) Conditions Precedent to Seller's Obligations. The close of escrow and Seller's obligations with respect to the transactions contemplated by this Agreement are subject to Buyer's delivery to the Escrow Holder on or before the Closing Date, the documents and materials described in subsection 7.b) below.
- c) Failure of Conditions to Closing. In the event any of the conditions set forth in Section 3(a) or (b) are not timely satisfied or waived, for a reason other than the default of Buyer City or Seller under this Agreement:
- i) This Agreement, the escrow, and the rights and obligations of Buyer and Seller shall terminate, except as otherwise provided herein; and
 - ii) The Escrow Holder is hereby instructed to promptly return to Seller and Buyer all funds and documents deposited by them, respectively, in escrow that are held by the Escrow Holder on the date of the termination.
- d) Cancellation Fees and Expenses. In the event this escrow terminates because of the default of one Party, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by the defaulting Party. In the event the escrow terminates because of the non-satisfaction of any condition for a reason other than the default of one of the Parties under this Agreement, the cancellation charges required to be paid by and to the Escrow Holder shall be borne equally by both Parties.
5. **Condition of Property.** Buyer acknowledges that Buyer will have or has had an opportunity prior to Closing to inspect the Property, including any improvements

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located on the Property, and agrees to accept the Property in its "AS-IS" "WHERE-IS" condition, with all faults, and subject to all liens and encumbrances, as of the Closing Date. Buyer acknowledges that Buyer has ascertained for itself the value and condition of the Property, and has not relied upon any implied or express warranties of Seller or Seller's employees or agents in connection with the Property, the purchase thereof, or the availability of Buyer's or the Property's qualifications for any local, state, or federal incentive, benefit, or grant program. The provisions of this Section shall survive losing or the earlier termination of this Sale Agreement.

6. **Taxes.** There shall be no proration of taxes.

7. **Deliveries to Escrow Holder.**

a) By Seller. On or before the Closing Date, Seller shall deliver the following in escrow to the Escrow Holder:

- i) Deed. A bargain and sale deed duly executed and acknowledged in recordable form by Seller, conveying the Property to City subject only to the special exceptions acceptable to City as established under Section 4 of this Agreement, and any other matters that may be approved in writing by City.
- ii) Non-foreign Certification. An affidavit to City representing and warranting that Seller is not a "foreign person" as defined by Internal Revenue Code § 1445 (26 U.S.C. § 1445), in the form required by that statute and related regulations.
- iii) Proof of Authority. Such proof of Seller's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller, as may be reasonably required by the Escrow Holder and/or City.
- iv) Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Escrow Holder in order to issue the title policy.
- v) Other Documents. Such other fully executed documents and funds, including without limitation, escrow instructions, as are required of Seller to close the sale in accordance with this Agreement.

b) By Buyer. On or before the Closing Date, Buyer shall deliver the following in escrow to the Escrow Holder:

- i. **Purchase Price.** The balance of the Purchase Prices in accordance with Section 3, above.
 - ii. **Proof of Authority.** Such proof of Buyer's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer, as may be reasonably required by the Escrow Holder and/or Seller.
8. **Deliveries to Buyer at Closing.** Seller shall deliver exclusive possession of the Property to Buyer at close of escrow.
9. **Title Insurance.** At Closing, Seller shall provide a standard owner's ALTA title insurance policy in an amount equal to Clackamas County's assessment of the fair market value of the property, insuring fee simple title vested in Buyer or its nominees, subject only to the Permitted Exceptions as established under Section 3 of this Agreement.
10. **Costs.** Buyer shall pay the cost of recording the deeds and the memorandum of purchase and sale if attached as an exhibit to this Agreement; Buyer shall pay all other recording charges, if any. Seller 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 and Seller shall each pay one-half of all escrow fees and costs. Buyer and Seller shall each pay its own legal and professional fees. All other costs and expenses shall be allocated between Buyer and Seller in accordance with the customary practice in Multnomah County, Oregon.
11. **City's Representations and Warranties.** In addition to any express agreements of City contained herein, the following constitute representations and warranties of Standard Family to City, subject to the conditions stated herein:
 - a) Subject to City Council approval and the conditions stated herein, City has the legal power, rights, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transaction contemplated here;
 - b) Subject to City Council approval and the conditions stated herein, all requisite action has been taken by City in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated here; and
 - c) Subject to City Council approval and the conditions state herein, the persons executing this Agreement and the instruments referred to herein on behalf of City have the legal power, rights, and actual authority to bind City to the terms and conditions of this Agreement.

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

- a) Seller has the legal power, rights, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transaction contemplated here;
- b) All requisite action has been taken by Seller in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated here; and
- c) The persons executing this Agreement and the instruments referred to herein on behalf of Seller have the legal power, rights, and actual authority to bind Seller to the terms and conditions of this Agreement.

13. **Risk of Loss, Condemnation.** The 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 any cause of nature or if all or any portion of the Property is taken by condemnation, or if any such condemnation is threatened, 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 or condemnation.

14. **Notices.** All notices required or permitted to be given shall be in writing and shall be deemed given and received upon personal service, email, facsimile, or deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, and addressed as follows:

To Standard

Standard

To City

With Copy to:

City of Portland
Water Bureau
Attn: Tom Klutz
1120 SW 5th Avenue, 6th Floor
Portland, OR 97204

Office of the City Attorney

Attn: Karen L. Moynahan
1221 SW 4th Ave.
Portland, OR 97204

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above shall be effective when received by the party for whom it is intended.

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15. **Further Actions of City and Seller.** City and Standard Family 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 close of escrow in accordance with the provisions hereof.

16. **Miscellaneous.**

- a) 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.
- b) Waivers. 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 any other covenant or provision herein contained. No extension of time for of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
- c) Survival of Representations. The covenants, agreements, representations, and warranties made herein shall survive the close of escrow and shall not merge into the deed and the recordation of it in the official records.
- d) Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the parties to it. City may assign its interest in this Agreement to a park entity without the consent of Seller. In the event that an assignee assumes the obligations of City hereunder, then City shall have no further liability with respect to this Agreement.
- e) Entire Agreement. This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. Both parties acknowledge that they have had an opportunity to consult with legal counsel; therefore, in the event of ambiguity, there shall be no presumption that such ambiguity should be construed against the drafter.

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- f) Time of Essence. Standard Family and City hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision.
- g) 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. Any litigation between the parties arising under this Agreement shall occur in the court sitting in Clackamas County having jurisdiction over the matter.
- h) Counterparts Deemed an Original. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

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

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

City of Portland, an Oregon
Municipal Corporation

By: _____

Title: _____

Date: _____

Approved as to Form: _____

Deputy City Attorney

Standard Family

By: _____ Title: _____
Date: _____

Attachments:

Exhibit A – Property Description
Exhibit B – Form of Memorandum

EXHIBIT B**Exhibit A
Property Description**

A portion of Tract 6, HIDEAWAY HILLS, situated in the Southwest one-quarter of Section 31, Township 1 South, Range 5 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, more particularly described as follows:

Beginning at the most Southerly corner of said Lot 6; thence North $36^{\circ} 27'$ West along the Southwesterly line thereof, a distance of 318.95 feet to a point; thence North $48^{\circ} 13'$ East a distance of 431.20 feet to a point on the Northeasterly line of said Tract 6; thence South $33^{\circ} 48'$ East along said Northeasterly line, a distance of 157.10 feet to a point of tangent curve; thence Southeasterly along the arc of a 300.00 foot radius curve to the left, through a central angle of $17^{\circ} 16'$ an arc distance of 90.41 feet (the chord bears South $42^{\circ} 26'$ East 90.06 feet) to the most Easterly corner of said Lot 6; thence South $38^{\circ} 56'$ West along the Southeasterly line thereof, a distance of 445.90 feet to the point of beginning.

TOGETHER WITH roadway easement disclosed by the duly recorded plat.

EXHIBIT B**When recorded, mail to:**

City of Portland
 Portland Water Bureau
 1120 SW 5th Avenue, Room #600
 Portland OR 97204

EXHIBIT B
MEMORANDUM OF PURCHASE AND SALE AGREEMENT

This is a memorandum of a certain Agreement of Purchase and Sale (Agreement) between the City of Portland, 1120 SW 5th Ave. Portland, OR, an Oregon municipal corporation (the "Buyer"), and Standard Family, signed by Seller on [date of signature]. By said Agreement, Seller has agreed to sell to City Seller's interest in that certain real property in Clackamas County, described in Exhibit A attached hereto and incorporated herein by this reference. If not earlier paid, all amounts owed under the Agreement shall be due and payable [number of days] days after the Effective Date as set forth in the Agreement, if Closing is not otherwise extended as provided for therein. The actual and true consideration for the conveyance at Closing will be \$425,000.

IN WITNESS WHEREOF, the parties have caused this memorandum to be executed as of the day and year first above written.

SELLER:

State of Oregon)
) ss.
 County of _____)

On this _____ day of _____, 20____, before me _____,
 the undersigned Notary Public, personally appeared _____,
 personally known to me (or proved to be on the basis of satisfactory evidence) to be the
 person(s) whose name(s) is (are) subscribed to this instrument, and acknowledged that he
 (she or they) executed it.

 My Commission Expires: _____

188878

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