



DAN JOHNSON
MANAGER

DEVELOPMENT AGENCY

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

May 18, 2023

BCC Agenda Date/Item: _____

Board of County Commissioners
Sitting/Acting as Development Agency Board
Clackamas County

**Approval of a Disposition Agreement with Anchor Health Properties, LLC
for the Sale of Development Agency Property for \$850,000.00.
County General Funds are not involved.**

Previous Board Action/Review	The Board directed staff to proceed with disposition of the property at an Executive Session on February 14, 2023.		
Performance Clackamas	1. Which indicator of success does this item affect? This transaction will help grow a vibrant economy and build public trust through good government.		
Counsel Review	Yes (NB 4-27-23)	Procurement Review	No
Contact Person	David Queener	Contact Phone	503-742-4322

EXECUTIVE SUMMARY:

The Development Agency owns a 1.13 acre vacant parcel located on SE 93rd Avenue between Sunnyside Road and Sunnybrook Boulevard. Anchor Health Properties (AHP) presented an offer to purchase the property and redevelop it with a 37,000-40,000 square foot medical office building.

Staff presented the offer to the Board at an Executive Session on February 14, 2023. The Board directed staff to proceed with the sale to AHP.

An appraisal determined a value of \$850,000.00. AHP made a full price offer. The Disposition Agreement outlines the terms and conditions that must be met by both parties prior to closing on the property.

For Filing Use Only

RECOMMENDATION:

Staff respectfully recommends that the Board approve and execute the Disposition Agreement between the Development Agency and Anchor Health Properties, LLC.

Sincerely,

Dan Johnson

Dan Johnson, Director
Department of Transportation and Development

DISPOSITION AGREEMENT

THIS DISPOSITION AGREEMENT (this “**Agreement**”) is by and between the CLACKAMAS COUNTY DEVELOPMENT AGENCY, the Urban Renewal Agency of Clackamas County (the “**Agency**”), and AHP ACQUISITIONS 2, L.L.C., a Delaware limited liability company (the “**Developer**”). The latest date on which this Agreement is signed by Agency and Developer (as indicated below their signatures herein) is referred to in this Agreement as the “**Effective Date.**”

RECITALS

A. This Agreement is entered into by the Agency in furtherance of its objectives under the Clackamas Town Center Area Development Plan (“**Plan**”) by providing for the disposition of certain real property and the development of the "Property" (as hereinafter defined) as provided in this Agreement. The Agency has found that the development of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the County of Clackamas, Oregon (the “**County**”) and the Plan and the health safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. The Plan was originally approved and adopted on December 30, 1980 by Order No. 80-2685 of the Clackamas County Commission, as amended from time to time, and the Plan, together with such amendments are incorporated herein by this reference. Agency represents and warrants that the Plan, as it presently exists, is in full force and effect. A copy of the Plan is on file in the Clackamas County Department of Transportation and Development.

C. Agency desires to sell the Property to Developer, and Developer desires to purchase the Property from Agency, on and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

ARTICLE 1: SUBJECT OF AGREEMENT

Section 1.1: The Property.

The “**Property**” consists of approximately 1.13 acres of land owned by the Agency located on the northeast corner of the SE 93rd Avenue and Sunnybrook Boulevard intersection, as more particularly shown on the map attached hereto as **Exhibit “A”** and more particularly described in the legal description attached hereto as **Exhibit “B.”**

Section 1.2: Post-Closing Agreement.

At Closing, Agency and Developer will enter into that Post-Closing Escrow and Development Agreement in the form attached hereto as **Exhibit “C”** (the “**Post-Closing Agreement**”). Among other things, the Post-Closing Agreement provides for Developer to meet certain site and building improvement goals, as more specifically described therein.

Section 1.3: The Agency.

The Agency is the duly designated Urban Renewal Agency of Clackamas County, Oregon, exercising governmental functions and powers and organized and existing under Oregon Revised Statutes, Chapter 457. The term “**Agency**” as used in this Agreement includes the Urban Renewal Agency of Clackamas County, Oregon and any assignee of or successor to its rights, powers, duties and responsibilities. The principal offices and mailing address of the Agency for purposes of this Agreement is:

Clackamas County Development Agency
c/o Development Agency Program Supervisor
150 Beaver Creek Road
Oregon City, OR 97045
Attn: Dave Queener
Email: DavidQue@co.clackamas.or.us

Section 1.4: The Developer.

The term “**Developer**” as used in this Agreement is AHP Acquisitions 2, L.L.C, a Delaware limited liability company, or any permitted assignee of Developer, as provided in Section 1.6 below. The principal office and mailing address of the Developer for purposes of this Agreement is:

AHP Acquisitions 2, L.L.C.
c/o Anchor Health Properties
425 Seventh Street NE
Charlottesville, VA 22902
Attn: Bret M. Reed, Legal Counsel
Email: legal@anchorhealthproperties.com &
lwhite@anchorhealthproperties.com &
dbaker@anchorhealthproperties.com &
esellers@anchorhealthproperties.com

Section 1.5: Escrow Officer/Title Company.

The principal office and mailing address of the Escrow Officer and Title Company for purposes of this Agreement is:

Chicago Title Company of Oregon
1211 SW Fifth Ave., Suite 2130

Portland, OR 97204
Attn: Wendy Guerin
Email: wendy.geurin@ctt.com

Section 1.6: Prohibition Against Change in Ownership, Management and Control of Developer.

The qualifications and identity of Developer and its Manager are of particular concern to Agency and were essential to the selection of Developer by Agency for development of the Property. No assignee of Developer shall acquire any rights or powers under this Agreement, except as expressly permitted herein. All assignments of this Agreement shall require written consent of Agency, which consent shall not be unreasonably withheld, conditioned or delayed; provided, notwithstanding the foregoing, Developer shall be entitled to assign this Agreement without Agency's prior written consent to (i) any entity controlling, controlled by or under common control with Developer; and (ii) any entity in which Developer or its parent or affiliated entities owns an interest; further provided, Developer shall provide written notice to Agency within three (3) business days following any such permitted assignment.

ARTICLE 2: DEVELOPER'S DUE DILIGENCE

Section 2.1: Title Commitment.

Within twenty (20) days after the Effective Date, Agency will cause the Title Company (defined in Section 3.3 below) to furnish to Developer its preliminary title report on the Property (the "**Preliminary Commitment**"), along with copies of all documents that give rise to exceptions listed in the Preliminary Commitment (the "**Underlying Documents**"). No later than sixty (60) days prior to the expiration of the Due Diligence Period, Developer will give Agency written notice setting forth the title exceptions that are not acceptable to Developer (the "**Unacceptable Exceptions**"). All exceptions other than those timely objected to will be deemed acceptable to Developer as "**Permitted Exceptions.**" Agency will have twenty (20) days after receiving Developer's notice within which to notify Developer in writing whether Agency is willing or able to eliminate the Unacceptable Exceptions. If Agency agrees to eliminate the Unacceptable Exceptions, Agency will be obligated to do so on or before Closing (defined in Section 3.3 below) at its cost. If Agency is unwilling or unable to eliminate the Unacceptable Exceptions, Developer may terminate this Agreement or elect to accept the Unacceptable Exceptions and proceed to close escrow by giving written notice to Agency within ten (10) days of receiving notice from Agency. If Developer does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its objections to the Unacceptable Exceptions and all of the Unacceptable Exceptions shall become Permitted Exceptions; provided, notwithstanding the foregoing or anything herein to the contrary, Agency shall be obligated to remove and obtain the release of all mortgages, deeds of trust and other liens or encumbrances arising by or through Agency on or prior to Closing, without the necessity of Developer objecting to the same. Developer shall have the same rights as set forth above to approve (or disapprove and terminate this Agreement with respect to) any subsequent title matters or exceptions that are disclosed in any subsequent title reports that may be issued after the receipt of the initial Preliminary Commitment. Upon termination of this Agreement by Developer as provided in this Section 2.1, the Earnest Money shall be refunded to Developer and neither party shall have any further obligations or

liability hereunder, except for those obligations herein that expressly survive such termination.

Section 2.2: Survey.

Within twenty (20) days after the Effective Date, Agency shall deliver the most recent survey, if any, in its possession to Developer (the “**Initial Survey**”). At its option and expense, Developer may order an update to the Survey (or a new survey) (the Initial Survey, as updated or a new survey, as applicable, is referred to herein as the “**Survey**”). If applicable, Developer shall deliver a copy of any new or updated survey to Agency promptly upon written request for the same. No later than sixty (60) days prior to the expiration of the Due Diligence Period, Developer may deliver to Agency, in writing, any objections to any matters shown on the Survey (the “**Objections**”). Developer’s failure to timely object to any such matters shall be deemed to constitute Developer’s approval thereof and such shall then become Permitted Exceptions, as defined in Article 2. If Developer timely objects to any matters shown on the Survey, then Agency shall have the right, but not the obligation, to agree in writing to cure before Closing such Objections, or to decline to cure such Objections. Agency will have twenty (20) days after receiving Developer’s Objections within which to notify Developer in writing whether Agency is willing or able to cure the Objections. If Agency agrees to cure the Objections, Agency will be obligated to do so by Closing at its cost. If Agency is unwilling or unable to cure the Objections, Developer may terminate this Agreement or elect to accept the Objections and proceed to close escrow by giving written notice to Agency within ten (10) days of receiving notice from Agency. If Developer does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its Objections and all of the Objections shall become Permitted Exceptions. Notwithstanding anything to the contrary above, although Developer may elect to update the Initial Survey or obtain a new survey, Developer is not obligated to do so. Developer shall have the same rights as set forth above to approve (or disapprove and terminate this Agreement with respect to) any subsequent survey matters that are disclosed in any subsequent Survey that may be issued after the receipt of an updated Survey. Upon termination of this Agreement by Developer as provided above, the Earnest Money shall be refunded to Developer and neither party shall have any further obligations or liability hereunder, except for those obligations herein that expressly survive such termination.

Section 2.3: Property Documents.

Within twenty (20) days after the Effective Date, Agency shall deliver all documents and materials which Agency has in its possession (or access to) which concern the Property or its development, including but not limited to: tax and assessment documents, existing surveys, environmental assessments; soils or geotechnical reports; wetland reports, analyses and permits; traffic studies; development feasibility studies; copies of use and development permits; and any easements, covenants, conditions, restrictions, maintenance agreements, development standards

applicable to the Property and not otherwise set forth herein (except those that appear in zoning codes, comprehensive plans or other readily available government planning documents).

Section 2.4: Due Diligence Period.

Developer shall have a period of two hundred seventy (270) days after the Effective Date (the “**Due Diligence Period**”) to conduct its due diligence investigation of the Property and to satisfy itself concerning all aspects of the Property and the suitability of the Property for Developer’s intended uses, including without limitation the physical condition of the Property, zoning, access, utilities, and all legal rights, titles, and interests. During the period from the Effective Date until the earlier of Closing or termination of this Agreement, Developer and its affiliates, its and their employees, agents, consultants, contractors, equity partners, prospective tenants or purchasers, and lenders may enter the Property to perform such tests, inspections and studies as Developer may deem necessary, including without limitation environmental assessments. Developer hereby indemnifies and holds the Agency and the County, and their elected officials, officers, agents and employees harmless from any injury or damages arising out of any activity of Developer, its agents, employees and contractors performed and conducted on the Property for the purposes of completing its due diligence. Due diligence may include, without limitations, physical inspections of the Property; soils investigations and coring; Phase I and, as necessary, Phase II environmental assessments; and examination of survey and title exceptions. Developer shall restore the Property to its pre-examination state after conducting such due diligence at its own expense. Upon written request by Agency, Developer agrees to provide the Agency with copies of all third party reports concerning the existing physical condition of the Property obtained or produced as a result of its due diligence investigation; provided, Agency (i) shall not be entitled to rely on such third party reports and (ii) Developer shall have no liability to Agency with respect to the contents of any such third-party reports. On or before expiration of the Due Diligence Period, Developer may provide Agency with a notice approving its due diligence investigation of the Property and electing to proceed with acquisition of the Property as provided herein (the “**Approval Notice**”). Alternatively, Developer at its option may provide notice to Agency of its election to terminate this Agreement prior to the expiration of the Due Diligence Period. If Developer fails to provide either the Approval Notice or a termination notice prior to expiration of the Due Diligence Period, Developer shall be deemed to have elected to proceed with this Agreement as if an Approval notice were given to Agency prior to expiration of the Due Diligence Period. In the event of termination (or deemed termination), except as otherwise expressly provided herein, neither party shall have any further rights, duties or obligations hereunder and the Earnest Money shall be fully and immediately refunded to Developer.

Section 2.5: Design Drawings.

No later than sixty (60) days prior to the expiration of the Due Diligence Period, the Developer shall prepare and submit to the Agency architectural design development concept drawings of the Developer’s proposed improvements (“**Design Drawings**”), or any portion thereof, for Agency review and written approval within the Due Diligence Period. The Design Drawings shall be generally consistent with the Scope of Development, attached hereto as **Exhibit “F.”** Agency shall diligently, in good faith, review the Design Drawings to determine

whether they are in substantial conformance with the Scope of Development as proposed by the Developer and shall issue its decision within twenty (20) days after receipt of same. Failure of Agency to notify Developer within such period of time shall be deemed to be approval by Agency. If Agency does not approve the Design Drawings, Agency shall specify, in writing, its specific objections to same, and Developer shall have a reasonable opportunity to revise the Design Drawings. After any such resubmission of the Design Drawings, Agency shall issue its decision within ten (10) days after receipt of same. Agency approval shall not be deemed approval by the County Design Review Board or any other agency or department.

Section 2.6: Governmental Approvals.

Prior to the Closing Date, Agency agrees to join in executing any applications reasonably required by Developer in connection with its attempts to obtain governmental permits and approvals for its intended development or use of the Property. Developer shall reimburse Agency for its actual, reasonable out-of-pocket expenses (if any) incurred in cooperating with Developer's attempts to obtain governmental permits or approvals, except any expenses associated with Agency's review of the Design Drawings or otherwise within the scope of Agency's typical non-reimbursable obligations or responsibilities for other similar developments; provided Agency gives Developer notice of the amount and purpose of all such expenses prior to their being incurred by Agency. Agency's agreement to cooperate with Developer in connection with Developer's governmental approvals and any other provision of this Agreement shall not be construed as making either party an agent or partner of the other party.

Section 2.7: No Liens.

Prior to Closing, the Developer shall not place or allow to be placed on the Property or any part thereof any mortgage, trust deed, encumbrance or lien, unless specifically pre-approved in writing by the Agency. The Developer shall remove or have removed any levy, lien or attachment made on the Property, or any part thereof, or provide assurance of the satisfaction therein within a reasonable time, but in any case no later than thirty (30) days of Developer learning or receiving notice of such levy, lien or attachment coming into existence without permission prior to Closing. Developer may contest or challenge the validity or amount of any such lien or encumbrance provided such challenge or contest is taken in accordance with applicable law and within a reasonable time, so long as Developer provides security satisfactory to Agency protecting the Agency's interests, or (in the case of construction liens) bonds against the liens as permitted by statute.

ARTICLE 3: DISPOSITION OF PROPERTY

Section 3.1: Purchase and Sale of the Property; Total Purchase Price.

In accordance with, and subject to all the terms, covenants, and conditions of this Agreement, the Agency agrees to sell to Developer, or Developer's permitted assignee of this Agreement, and Developer agrees to purchase from Agency, the Property, for the amount of Eight Hundred Fifty Thousand and no/100 Dollars (\$850,000.00) (the "**Purchase Price**").

Section 3.2: Earnest Money Deposit.

Developer shall, within three (3) business days after the Effective Date, deliver to the Title Company (defined below) the sum of Twenty Five Thousand and no/100 Dollars (\$25,000.00) as earnest money in cash or by wire transfer of immediately available funds (the “**Earnest Money**”) to be held and applied in accordance with the terms of this Agreement. If Developer fails to timely deposit the Earnest Money as provided above, this Agreement shall terminate and neither Developer nor Agency shall have any further obligations to one another. The Earnest Money will be held in a non-interest bearing or interesting bearing account approved by Developer, and all interest earned thereon shall be added to and become part of the Earnest Money. The Earnest Money will be applied to the Purchase Price due by Developer at Closing. If this Agreement terminates prior to expiration of the Due Diligence Period for any reason, except the default of Developer under the terms of this Agreement, the Earnest Money and any accrued interest shall be fully and immediately refunded to Developer. Upon expiration of Developer’s Due Diligence Period, the Earnest Money, and any accrued interest, shall become nonrefundable (except in the event of a default by Agency or as otherwise expressly set forth herein), but shall be credited toward payment of the Purchase Price at Closing.

Section 3.3: Closing.

This transaction shall close (the “**Closing**”) on a date to be selected by Developer and reasonably acceptable to Agency that is on or before thirty (30) days after the expiration of the Due Diligence Period (as may be extended as provided herein, the “**Closing Date**”). Closing shall occur in escrow on or before the Closing Date by and through a mutually acceptable escrow officer (the “**Escrow Officer**”) of Chicago Title Insurance Company of Oregon, 1211 SW Fifth Ave., Suite 2130, Portland, OR 97204 (the “**Title Company**”), in accordance with the terms and conditions of this Agreement. Developer agrees, subject to the terms and conditions hereunder for its benefit, to accept conveyance of the Property and pay to Agency at Closing the Purchase Price for the Property by wire transfer of immediately available funds, subject to the credits, debits, prorations and adjustments provided for in this Agreement, including a credit for the Earnest Money. The Agency and the Developer agree to perform all acts necessary to close this transaction in accordance with the terms of this Agreement. Each party may submit escrow instructions to the Escrow Officer consistent with this Agreement.

Section 3.4: Deed Form.

At Closing, the Agency shall convey to Developer fee simple title to the Property by Bargain and Sale Deed, duly executed, acknowledged and delivered in the form of **Exhibit “D”** attached hereto (the “**Deed**”), free and clear of all liens, claims and encumbrances other than the Permitted Exceptions. Conveyance of title to the Property to Developer together with the full satisfaction of Developer’s escrow instructions shall conclusively establish satisfaction or waiver of all closing conditions set forth in Article 4 herein.

Section 3.5: Title Insurance; Prorations; Adjustments; Commissions.

3.5.1 Developer shall be responsible for obtaining any and all title insurance for the Property, including additional premiums for extended coverage and additional title endorsements. At Developer's request, Agency will execute and deliver at Closing an affidavit certifying that there are no unrecorded leases or agreements affecting the Property, there are no parties in possession of the Property, that there are no mechanic's or statutory liens against the Property, and as to such other matters as may be reasonably requested by the Title Company or Developer for issuance of extended coverage title insurance in favor of Developer.

3.5.2 Real property taxes and assessments and other Property expenses for the current year (if any) shall be prorated and adjusted between the parties as of the Closing Date. Agency shall be responsible for any and all real property taxes for the period of time prior to the recording of the Deed and the Developer shall be responsible for such taxes for the period of time on and subsequent thereto. Escrow fees shall be paid by Developer. Recording fees shall be paid by the Agency. Developer shall be responsible for all professional fees incurred by Developer in connection with its investigation of the Property, and payment of its respective legal fees and expenses. Agency shall be responsible for the payment of the base title premium of Developer's owner's policy of title insurance (consistent with local custom in Clackamas County, OR); provided, Developer shall be responsible for the payment of any title premium associated with extended coverage and any other title endorsements requested by Developer. Agency shall pay the costs of its own attorneys, consultants and advisors with respect to this transaction. All other transaction costs that are not expressly allocated herein shall be allocated between the parties in accordance with the local customs for the purchase and sale of commercial real estate in the county where the Property is located.

3.5.3 Developer and Agency hereby acknowledge and agree that Kidder Mathews is exclusively representing Developer and that no other broker shall be entitled to a commission with this transaction. At Closing, Agency shall pay Kidder Mathews, Inc. a brokerage fee of 5% of the Purchase Price. Each party represents and warrants to the other that, except for Kidder Mathews, it has not engaged or dealt with any real estate broker, finder or agent in connection with this Agreement or the purchase and sale of the Property, or any other person or entity who may be entitled to a commission, finder's fee or similar compensation in connection with the transactions contemplated hereunder.

Section 3.6: Events of Closing.

Provided the Escrow Officer has received sums equal to the Purchase Price and the security deposit, as set forth in Section 3.6.10, as well as any costs, prorations and adjustments as provided herein, and is in a position to cause the title insurance policy to be issued as described herein, this transaction shall be closed on the Closing Date as follows:

3.6.1 The Escrow Officer shall perform the prorations and adjustments described in Section 3.5, and the parties shall be charged and credited accordingly.

3.6.2 Developer shall pay the entire Purchase Price to Agency by wire transfer or cashier's check of immediately available funds, adjusted for the charges, prorations, adjustments and credits set forth in this Agreement, including a credit for the Earnest Money.

3.6.3 Any liens required to be paid by Agency at closing shall be paid and satisfied of record at Agency's expense.

3.6.4 Agency shall convey the real property to Developer by execution and delivery of the Deed, subject only to the Permitted Exceptions.

3.6.5 The Title Company shall be irrevocably committed to issue the policy described in Section 4.2.5, upon recordation of the Deed.

3.6.6 Agency shall deliver Agency's Certification of Nonforeign Status as provided in Section 8.14 herein.

3.6.7 The parties shall execute and deliver the Post-Closing Escrow and Development Agreement in the form attached hereto as **Exhibit "C."**

3.6.8 The parties shall execute and deliver, with notary acknowledgment, a Memorandum of Post-Closing Agreement in the form attached hereto as **Exhibit "E"** (the "**Memorandum**").

3.6.9 The Escrow Officer shall record the following documents in the following order: (i) Deed and (ii) Memorandum.

3.6.10 Developer shall deposit the additional sum of Fifty Thousand Dollars (\$50,000) by wire transfer of immediately available funds, as a security deposit, to be held by the Title Company pursuant to the terms of the Post-Closing Escrow and Development Agreement, attached hereto as **Exhibit "C."**

3.6.11 The parties will take such further actions and execute and deliver such other instruments as may be reasonably necessary or desirable to consummate the transactions contemplated by this Agreement.

Section 3.7: Possession.

Possession of the Property shall be delivered to the Developer concurrently with the conveyance of title on the Closing Date, free and clear of all tenancies and occupancies. The Developer shall accept title and possession on the Closing Date, unless such date is extended as provided herein.

Section 3.8: Conditions of the Property.

The Developer acknowledges that it is purchasing the Property "As Is," except as otherwise provided herein.

ARTICLE 4: CLOSING CONDITIONS

Section 4.1: Agency's Closing Conditions.

Agency's obligations to convey the Property under this Agreement are expressly conditioned upon the satisfaction of the following conditions:

4.1.1 The fulfillment by Developer of all its obligations and covenants under this Agreement to be performed on or before the Closing Date, including but not limited to the deposit of the Purchase Price required for conveyance of the Property and the deposit of the security deposit as set forth in Section 3.6.10 with the Title Company at or before Closing, and the attachment of all exhibits to the Post-Closing Agreement as of that time.

4.1.2 Design Drawings (as defined in Section 2.5) for the Developer Improvements have been prepared and submitted by Developer in accordance with the terms of Section 2.5 of this Agreement and have been reviewed and approved by Agency, such approval not to be unreasonably withheld, conditioned or delayed.

4.1.3 That all of Developer's representations and covenants set forth in this Agreement are true and correct in all material respects on the Closing Date.

The foregoing conditions may be waived only by Agency. If any one or more of such conditions are not satisfied as of the Closing Date, Agency at its option may terminate this Agreement, in which event the Earnest Money shall be refunded to Developer and neither party shall have any further obligation or liability hereunder (except for such obligations that expressly survive such termination), except to the extent such condition is not satisfied solely as a result of a breach of this Agreement by Developer, in which case the provisions of Section 7.1 below shall apply.

Section 4.2: Developer's Closing Conditions.

Developer's obligations to close the purchase of the Property under this Agreement are expressly conditioned upon the satisfaction of the following conditions:

4.2.1 Developer giving the Approval Notice, or being deemed to have given its approval pursuant to Section 2.4.

4.2.2 The fulfillment by Agency of all its obligations and covenants under this Agreement to be performed on or before the Closing Date.

4.2.3 That all of Agency's representations and covenants set forth in this Agreement are true and correct in all material respects on the Closing Date.

4.2.4 There being no change in the condition or legal requirements of the Property, whether directly or indirectly, including any dumping of refuse or environmental contamination,

after Effective Date, and that no legal action or proceeding (including condemnation) affecting the Property or Developer's intended use thereof shall have been threatened or commenced.

4.2.5 That the Title Company shall be irrevocably committed to issue an owner's title insurance policy, as described in Section 3.5 above, insuring that fee simple title is vested in Developer as of the Closing Date, in the amount of the Purchase Price, subject only to the Permitted Exceptions.

The foregoing conditions may be waived only by Developer. If any one or more of such conditions are not satisfied as of the Closing Date, Developer at its option may (i) terminate this Agreement, in which event the Earnest Money shall be refunded to Developer and neither party shall have any further obligation or liability hereunder (except for such obligations that expressly survive such termination), except to the extent such condition is not satisfied solely as a result of a breach of this Agreement by Agency, in which case the provisions of Section 7.2 below shall apply (ii) extend the Closing Date for a period of fifteen (15) days (retaining the option to terminate this Agreement at the end of such fifteen (15) day period), by providing written notice to Agency prior to the then-current Closing Date, for the sole purpose of permitting Agency to satisfy any unsatisfied conditions to Developer's obligation to close or (iii) waive any such unsatisfied conditions and proceed to close the transactions contemplated by this Agreement in accordance herewith.

ARTICLE 5: RESERVED

Reserved

ARTICLE 6: REPRESENTATIONS AND WARRANTIES

Section 6.1: Developer's Representations and Covenants.

Developer represents, warrants and covenants as follows:

6.1.1: Developer is a Delaware limited liability company, duly organized and validly existing, and is or at Closing will be qualified to do business in the state in which the Property is located. Developer has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate the transactions contemplated hereby;

6.1.2: There is no agreement to which Developer is a party or which, to Developer's knowledge, is binding on Developer which is in conflict with this Agreement. There is no action or proceeding pending or, to Developer's knowledge, threatened against Developer which challenges or impairs Developer's ability to execute or perform its obligations under this Agreement;

6.1.3: Developer has or will have the financial capacity to cause those improvements set forth in the Post-Closing and Development Agreement to be constructed;

6.1.4: James A. Schmid, III, in his capacity as the Chief Investment Officer of Developer,

is individually authorized to act on behalf of, and bind, the Developer;

6.1.5: [Intentionally omitted; not applicable];

6.1.6: [Intentionally omitted];

6.1.7: Developer is not a “foreign person” for purposes of Section 1445 of the Internal Revenue Code; and

6.1.8: To the best of Developer’s knowledge, Developer, for a period of no fewer than six calendar years preceding the effective date of this Agreement, has faithfully complied with (i) all applicable tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318; (ii) any tax provisions imposed by a political subdivision of this state that applied to Developer, to Developer’s property, operations, receipts, or income, or to Developer’s performance of or compensation for any work performed by Developer; (iii) any tax provisions imposed by a political subdivision of this state that applied to Developer, or to goods, services, or property, whether tangible or intangible, provided by Developer; and (iv) any applicable rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

For the purposes of this Agreement, “Developer’s knowledge” is defined as the knowledge of Mr. James A. Schmid, III; provided, such individual shall have no personal liability whatsoever with respect to this Agreement.

Section 6.2: Agency’s Representations and Covenants.

Agency represents, warrants and covenants as follows:

6.2.1 Agency has been duly organized and is validly existing public body in good standing in the State of Oregon. Agency has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate the transactions contemplated hereby;

6.2.2 To the best of Agency’s knowledge (without any requirement of further investigation), there are no actions, suits, claims, legal proceedings, condemnation or eminent domain proceedings, or any other proceedings affecting the Property, or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign, nor is there any basis for any such proceeding which, if adversely determined, might affect the use or operation of the Property for Developer’s intended purpose, the value of the Property, or adversely affect the ability of Agency to perform its obligations under this Agreement; provided, however, that Agency makes no representation or warranty regarding the use of the Property under current or future land use codes, building codes, or other generally applicable laws and regulations, and Developer acknowledges their obligation to investigate the same as part of their due diligence process;

6.2.3 To the best of Agency’s knowledge (without any requirement of further investigation), there are no liens, bonds, encumbrances, covenants, conditions, reservations, restrictions, easements or other matters affecting the Property except as disclosed in the

Preliminary Commitment, and Agency has not received notice and has no knowledge of any pending liens or special assessments to be made against the Property;

6.2.4 From the Effective Date until the Closing Date, Agency shall use commercially reasonable efforts to properly maintain the Property in its current condition as of the Effective Date less reasonable impact of natural conditions and Developer's due diligence efforts;

6.2.5 To the best of Agency's knowledge (without any requirement of further investigation), all Property information, documents and instruments delivered to Developer by Agency are complete and true copies of such documents or original counterparts thereof;

6.2.6 To the best of Agency's knowledge (without any requirement of further investigation), other than this Agreement, the documents to be executed and delivered hereunder at Closing and the Permitted Exceptions, there are no contracts or agreements of any kind relating to the Property to which Agency or its agents is a party and which would be binding on Developer after Closing;

6.2.7 Agency has not obligated itself in any manner to sell the Property to any party other than Developer and promises not to enter into an agreement with any other party for the sale or lease of any portion of the Property while this Agreement is in effect;

6.2.8 Agency is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code;

6.2.9 To the best of Agency's knowledge (without any requirement of further investigation), Agency is not (and is not engaged in this transaction on behalf of) a person or entity with which Developer is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security including, but not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001; Executive Order 13224; the Bank Secrecy Act; the Trading with the Enemy Act; the International Emergency Economic Powers Act; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control, as well as laws related to the prevention and detection of money laundering in 18 U.S.C Sections 1956 and 1957;

6.2.10 To the best of Agency's knowledge (without any requirement of further investigation), Agency's sale of the Property is not subject to any federal, state or local withholding obligation of Developer under the tax laws applicable to Agency or the Property;

6.2.11 Agency has received no written notice of and has no knowledge of any material violations or investigations of violations of any applicable laws or ordinances affecting the Property that have not been corrected or resolved;

6.2.12 To the best of Agency's knowledge (without any requirement of further investigation), no hazardous substances exist at the Property in any material concentration or quantity;

6.2.13 To the best of Agency's knowledge (without any requirement of further investigation), the Property is in compliance with all applicable environmental laws, there are no

material concentrations of hazardous wastes or hazardous substances on, in or under the Property, and there are no underground storage tanks within the Property. As used in this Agreement, the term “environmental laws” includes any and all state, federal and local statutes, regulations, and ordinances to which the Property is subject and relating to the protection of human health and the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to same; and the term “hazardous substances” includes all hazardous and toxic substances, wastes, or materials, including without limitation all substances, wastes, and materials containing either petroleum, including crude oil or any fraction thereof, or any of the substances referenced in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601(14), and similar or comparable state or local laws.

For the purposes of this Agreement, “Agency’s knowledge” is defined as the knowledge of Mr. David Queener.

Section 6.3: Survival.

All representations and warranties contained in this Agreement shall be true on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date, and shall survive Closing and not be merged into any documents delivered at Closing. The parties agree to disclose any material change in the representations and warranties contained in this Agreement.

ARTICLE 7: DEFAULTS AND REMEDIES

Section 7.1: Agency’s Remedies.

In the event that this transaction fails to close solely on account of a default by Developer under this Agreement, this Agreement shall terminate and the Earnest Money, any accrued interest, and any extension fees paid by Developer pursuant to Section 2.4 shall be forfeited by Developer and retained by Agency as liquidated damages as Agency’s sole remedy for such default. Such amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Developer’s default, since the precise amount of such compensation would be difficult to determine.

In the event that any of the following occur prior to the conveyance of title to the Property, then this Agreement, and any rights of the Developer, or any assignee or transferee, in this Agreement, or the Property, or any portion thereof, shall, at the option of the Agency and upon written notice by the Agency to Developer, be terminated by the Agency, in which event the Earnest Money (and any interest earned thereon) shall be retained by the Agency as liquidated damages and as its property without any deduction, offset or recoupment whatsoever, and neither the Developer nor the Agency shall have further rights against or liability to the other under this Agreement:

7.1.1 Developer (or any successor in interest thereto) assigns or attempts to assign this Agreement or any rights therein, or to the Property, in violation of this Agreement;

7.1.2 [Intentionally Omitted];

7.1.3 The Developer does not submit Design Drawings as required by Section 2.5 of this Agreement in the manner and by the dates respectively provided in Section 2.5 of this Agreement therefore; provided, this paragraph shall only apply in the event Developer does not terminate this Agreement on or prior to the expiration of the Due Diligence Period; or

7.1.4 The Developer does not tender the Purchase Price or take title to the Property on tender of conveyance by the Agency pursuant to this Agreement after the satisfaction or waiver of all of Developer's Closing Conditions set forth in Section 4.2

Section 7.2: Developer's Remedies.

If this transaction fails to close because of Agency's default hereunder, the Earnest Money, and any accrued interest, shall be returned to Developer. Developer shall be entitled to such remedies for breach of contract as may be available under applicable law, including (without limitation) the remedy of specific performance, injunctive relief and/or the right to recover its damages.

Section 7.3: Default.

Except for the parties' wrongful failure to close or satisfy a condition to Closing by the Closing Date, neither party shall be deemed in default under this Agreement unless such party is given written notice of its failure to comply with this Agreement and such failure continues for a period of five (5) days following the date such notice is given.

ARTICLE 8: GENERAL PROVISIONS

Section 8.1: Applicable Law.

The law of the State of Oregon shall govern the interpretation and enforcement of this Agreement without giving effect to the conflicts of law provision thereof.

Section 8.2: Attorney Fees.

The parties shall bear their own costs and attorney fees in the event an action is brought to enforce, modify or interpret the provisions of this Agreement.

Section 8.3: Acceptance of Service of Process.

In the event that any legal or equitable action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service on the Program Supervisor of the Agency, as set forth in Section 1.3, or in such other manner as may be provided by law. In the event that any legal or equitable action is commenced by the Agency against the

Developer, service of process on the Developer shall be made on the individual identified in Section 1.4, or in such other manner as may be provided by law.

Section 8.4: Notice, Demands and Communications Between the Parties.

All notices given pursuant to this Agreement shall be in writing sent to the addresses shown in Section 1.3 and Section 1.4 of this Agreement and to the attention of the person indicated, and shall be either: (i) mailed by first class mail, postage prepaid, certified or registered with return receipt requested, (ii) delivered in person or by local or national courier or (iii) sent by email to the email addresses listed in Section 1.3 and Section 1.4.

Any notice (i) sent by mail in the manner specified in this section shall be deemed served or given three (3) business days after deposit in the United States Postal Service, (ii) delivered in person or by local or national courier shall be deemed served or given upon receipt or refusal of delivery and (iii) sent by email shall be deemed served upon email transmission. Notice given to a party in any manner not specified above shall be effective only if and when received by the addressee as demonstrated by objective evidence in the possession of the sender. Each party may change its address for notice by giving not less than ten (10) days' prior notice of such change to the other party in the manner set forth above.

Section 8.5: Nonliability of Officials and Employees.

No member, manager, shareholder, director, officer, elected official, employee, affiliate, agent, or representative of any of the parties shall be personally liable to the other party or any successor-in-interest thereto, in the event of any default or breach by either party or for any amount that may become due to either party or its successor, or any obligations under the terms of this Agreement.

Section 8.6: Merger.

None of the provisions of this Agreement are intended to or shall be merged by reason of any deed referred to herein and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

Section 8.7: Headings.

Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.8: Time of Essence.

Time is of the essence of this Agreement. All obligations of the Agency and the Developer to each other shall be due at the time specified by the Agreement, or as the same may be extended by mutual agreement of the parties in writing.

Section 8.9: Severability.

If any clause, sentence or any other portion of the terms and conditions of this Agreement become illegal, null or void for any reason, or held by any court of competent jurisdiction to be so, the remaining portion will remain in full force and effect.

Section 8.10: No Partnership.

Neither anything in this Agreement or the documents delivered in connection herewith nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement.

Section 8.11: Nonwaiver of Government Rights.

Subject to the terms and conditions of this Agreement, by making this Agreement, the Agency is specifically not obligating itself, the County, or any other agency with respect to any discretionary governmental action relating to the acquisition of the Property or development, operation and use of the improvements to be constructed on the Property, including, but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances or any other governmental agency approvals that are or may be required.

Section 8.12: Entire Agreement; Waivers.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all prior negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in a writing signed by the appropriate authorities of the Agency and the Developer, and all amendments thereto must be in a writing signed by the appropriate authorities by the Agency and the Developer.

Section 8.13: Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

Section 8.14: Non-Foreign Persons.

The parties agree to comply with the terms of Internal Revenue Code Section 1445 and at Closing, Agency shall execute and deliver to Developer and Title Company a non-foreign person affidavit in a form mutually acceptable to the parties. Agency represents and warrants that it is not a “foreign person” as that term is used in Internal Revenue Code Section 1445 and Agency agrees to furnish Developer with any necessary documentation to that effect.

Section 8.15: Waiver.

Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

Section 8.16: Weekends and Holidays.

If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Friday, Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter.

Section 8.17: Neutral Construction.

This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and shall not be construed against either party by virtue of which party drafted all or any part of this Agreement.

Section 8.18: Exhibits.

All exhibits listed on the signature page below and attached hereto are incorporated into and constitute a part of this Agreement.

Section 8.19: Dispute Resolution.

Each party waives its rights to trial by jury in any claim, action, suit, or proceeding arising out of this Agreement or the transactions relating to its subject matter.

ARTICLE 9: SUCCESSOR INTEREST

This Agreement shall be binding upon and inure to the benefit of the parties, and their permitted successors and assigns.

ARTICLE 10: 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.

[SIGNATURE PAGE FOLLOWS]

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

“AGENCY”

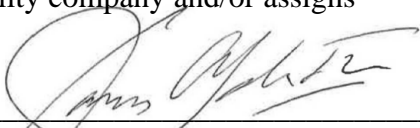
CLACKAMAS COUNTY DEVELOPMENT
AGENCY

By: _____
Chair

Date: _____, 2023

“DEVELOPER”

AHP ACQUISITIONS 2, L.L.C., a Delaware
limited liability company and/or assigns

By:  _____
James A. Schmid, III
Chief Investment Officer

Date: May 3, 2023

LIST OF EXHIBITS

- | | |
|-----------|--------------------------------------|
| EXHIBIT A | Property Map |
| EXHIBIT B | Legal Description - Property |
| EXHIBIT C | Post-Closing Agreement |
| EXHIBIT D | Form of Bargain and Sale Deed |
| EXHIBIT E | Memorandum of Post-Closing Agreement |
| EXHIBIT F | Scope of Development |

EXHIBIT A

Property Map

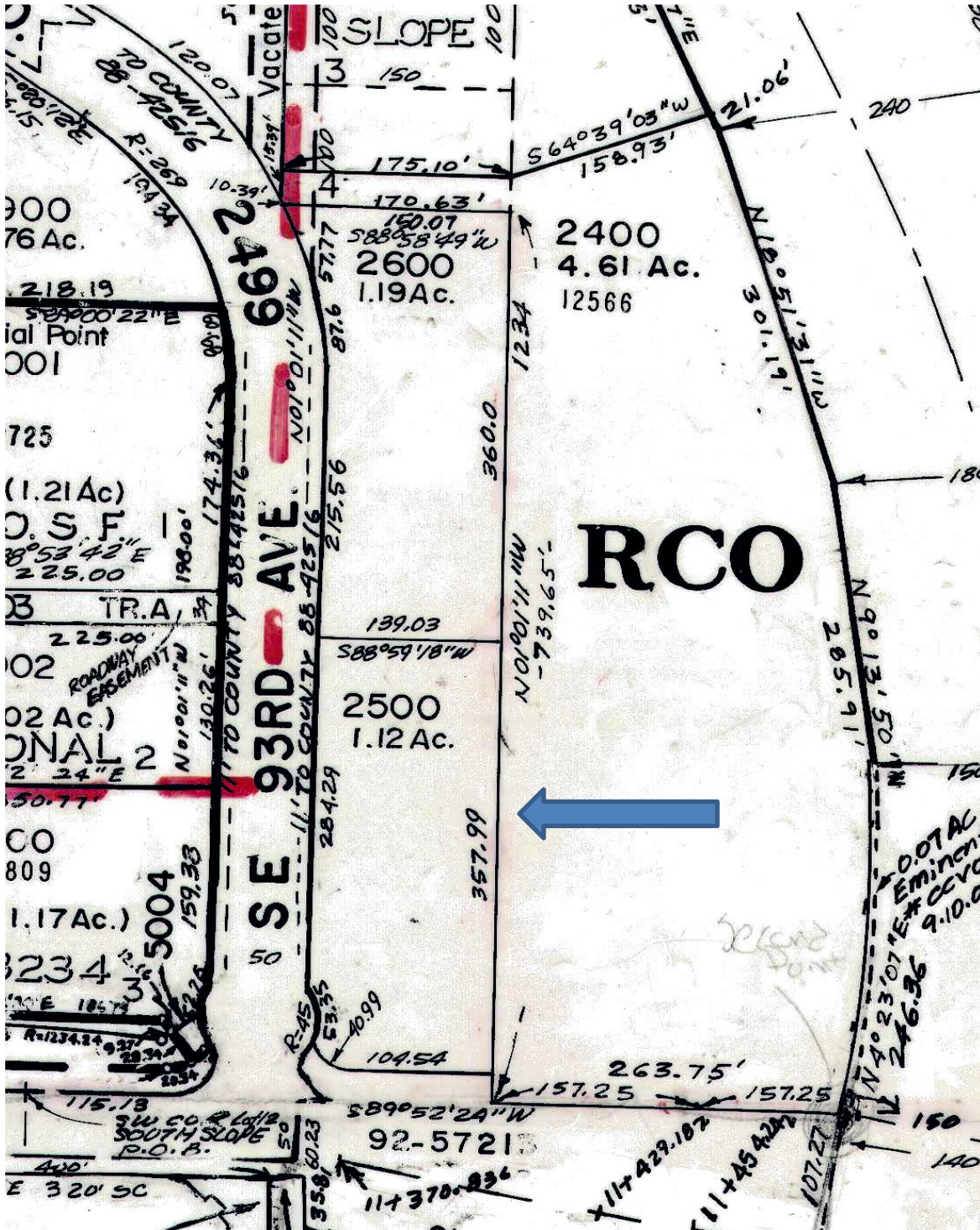


EXHIBIT B

Legal Description - Property

A parcel of land located in the Northeast one-quarter of Section 4, Township 2 South, Range 2 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, and being more particularly described as follows:

Beginning at a point that bears North 01° 01' 11" West, 16.94 feet and North 88° 58' 49" East, 352.49 feet from the Southwest corner of Lot 12, of the recorded plat of SOUTHSLOPE; said point also being on the Easterly line of said SOUTHSLOPE; thence from the point of beginning, South 89° 52' 24" West, 104.54 feet to a point of curvature; thence 40.99 feet along the arc of a 35.00 foot radius curve to the right through a central angle of 67° 05' 42" (the long chord of which bears North 56° 34' 45" West, 38.68 feet) to a point of cusp with a 45.00 foot radius curve (the radius point of which bears North 59° 58' 02" West, 45.00 feet); thence 53.35 feet along the arc of said 45.00 foot radius curve to the left through a central angle of 67° 55' 20" (the long chord of which bears North 03° 55' 42" West, 50.28 feet); thence along a non-radial line North 01° 01' 11" West, 284.29 feet; thence North 88° 59' 18" East, 139.03 feet to a point on the Easterly line of said SOUTHSLOPE; thence along the Easterly line of said SOUTHSLOPE South 01° 00' 42" East, 357.99 feet to the point of beginning.

EXHIBIT C

Post-Closing Agreement

POST-CLOSING ESCROW AND DEVELOPMENT AGREEMENT

THIS POST-CLOSING ESCROW AND DEVELOPMENT AGREEMENT (this “**Agreement**”) is entered into by and among **CLACKAMAS COUNTY DEVELOPMENT AGENCY**, the Urban Renewal Agency of Clackamas County (the “**Agency**”) and **AHP ACQUISITIONS 2, L.L.C.**, a Delaware limited liability company (“**Developer**”), and **CHICAGO TITLE COMPANY OF OREGON**, an Oregon corporation (“**Escrow Holder**”). The latest date on which this Agreement is signed by Agency, Developer, and Escrow Holder (as indicated below by their signatures herein) is referred to in this Agreement as the “**Effective Date**.”

RECITALS

A. Pursuant to that Disposition Agreement effective _____, 2023 (the “**DA**”), Developer acquired from Agency that certain real property, containing approximately 1.13 acres, owned by the Agency located on the northeast corner of the SE 93rd Avenue and Sunnybrook Boulevard intersection in Clackamas County, Oregon, as more particularly described in Exhibit “**B**” of the DA (the “**Property**”). All capitalized terms used in this Agreement and not otherwise defined herein shall have their meaning as set forth in the DA.

B. In connection with the DA and in furtherance of the Plan, Agency desires that Developer construct the Building Improvements (defined below), and Developer wishes to do so subject to the terms and conditions of this Agreement. As used herein, the “**Building Improvements**” means an approximately 30,000-41,000 medical office building on the Property as described in **Exhibit “A,”** attached hereto.

C. In addition, the parties desire to establish at Closing an escrow account (the “**Account**”) in the total amount of Fifty Thousand and No/100 Dollars (\$50,000.00) (the “**Funds**”), payable at Closing by the Developer, to be held by the Escrow Holder as security for satisfaction of the obligation of the Developer to complete the development goals, as described in Section 1 of this Agreement.

D. Escrow Holder has agreed to serve as the escrow agent for the Account and to disburse the amounts deposited with it in accordance with the terms of this Agreement.

AGREEMENT

1. **DEVELOPMENT GOALS**. Subject to the terms and conditions of this Agreement, Developer will pursue Substantial Completion (defined below) of the Building Improvements in accordance with and within the limitations specified in **Exhibit “A,”** “Scope of Development,” attached hereto and made a part hereof. The Building Improvements must be substantially complete within forty-two (42) months following the Effective Date of this Agreement, subject to delays due to force majeure, delays caused by the Agency or its elected officials, officers, directors,

shareholders, members, managers, employees, affiliates, agents, successors, assigns, and/or any other person or entity acting on its behalf or under its direction or control, and any other causes beyond the reasonable control of Developer or that could not have been foreseen or provided against. For purposes of this Agreement, delays caused by the action or inaction of the Agency shall not include the passage of time attributable to any permit or development review procedure, or other standard decision-making process that could be associated with the Agency's function as a public entity. As used in this Agreement, "Substantial Completion" of a work or improvement shall mean that the applicable work or improvement has been completed to the point of receipt of a temporary certificate of occupancy related to the core and shell of the Building Improvements (but excluding any interior build-out related to occupancy), subject to minor or insubstantial details typically found in a so-called "punch list." The Developer agrees, at its own cost and expense, to install or construct, or cause to be installed or constructed, the required Building Improvements in accordance with the terms of this Agreement and with all applicable specifications, standards and codes and requirements, including those of the County and the State of Oregon.

2. **CONSTRUCTION SCHEDULE.** Developer shall use commercially reasonable efforts to begin and complete all construction and development of the Building Improvements within the time specified in the Schedule of Performance, specified in **Exhibit "B,"** attached hereto and made a part hereof, except as otherwise permitted herein; provided, Developer's failure to complete all construction and development of the Building Improvements within such estimated time periods shall not constitute a default hereunder, except as otherwise expressly set forth herein .

3. **GOVERNMENTAL PERMITS.** Before commencement of construction or development of any buildings, structures or other works or improvements in connection with the Building Improvements upon the Property, the Developer shall, at its own expense, secure or cause to be secured, any and all land use, construction, and other permits which may be required by any governmental agency. The Agency shall cooperate with the Developer and permitting agencies in obtaining the necessary permits.

4. **TERM.** The term of this Agreement shall commence on the Effective Date and, except as otherwise provided herein, end on the date that all funds in the Account have been disbursed in accordance with the terms of this Agreement.

5. **ACCOUNT.**

5.1 **Appointment.** Agency and Developer appoint Escrow Holder to receive and hold the Funds in the Account for the benefit of Agency and Developer and to disburse the funds in the Account in accordance with the terms of this Agreement. Escrow Holder accepts that appointment.

5.2 **Account Deposit.** On the date hereof, Developer shall deposit the Funds in the Account. Until disbursed as provided herein, all funds in the Account (as may vary from time to time, the "**Account Funds**" or the "**Security Deposit**") shall be held by the Escrow Holder in accordance with the terms of this Agreement.

5.3 **Investment of Funds.** Escrow Holder shall invest the Account Funds in an interest-bearing account fully insured by the Federal Deposit Insurance Corporation. All interest earned on Account Funds shall automatically be added to and become part of the Account Funds.

5.4 **Disbursement of Account Funds.** Except as otherwise expressly provided in this paragraph, upon Substantial Completion of the Building Improvements under the conditions set forth above in Section 1, the Security Deposit shall be disbursed to Developer following written request by Developer that is approved in writing by Agency, which approval will not be unreasonably withheld, conditioned or delayed. The sole condition for disbursement of the Security Deposit to Developer is the Substantial Completion of the Building Improvements under the conditions set forth above in Section 1. Notwithstanding the foregoing, if the Building Improvements are not substantially completed within the time period set forth in Section 1 above (subject to force majeure and other delays as set forth in Section 1), the Security Deposit shall be automatically disbursed to Agency, and Developer waives any right to object to release of the Security Deposit to Agency under these circumstances. The Security Deposit disbursement shall be by a single payment, and shall not be paid on a pro rata basis or otherwise disbursed in installments.

5.5 **Disbursements.** Escrow Holder shall disburse to the payee within three (3) business days after receipt of a written request of a party, pursuant to the terms of Section 5.4. With respect to any disbursement request of a party that is subject to the approval of the other party, such approval shall be deemed given if the other party fails to give notice of disapproval to the requesting party within twenty (20) business days of receipt of the request.

5.6 **Termination of Account.** The Account shall be terminated upon disbursement of all Account Funds as provided in this Agreement.

6. **LIMITATION OF LIABILITY.** Notwithstanding any other provision herein, the liability of either party under this Agreement shall be strictly limited solely to a sum equal to the Account Funds as provided by this Agreement. In no event shall either party have any obligations or liability whatsoever with respect to this Agreement in excess of the Account Funds or with respect to any assets of either party (other than the Account Funds). Except solely for either party's right to disbursement of the Account Funds as provided in this Agreement, both parties hereby waive, release, covenant not to sue and forever discharge the other party and its elected officials, officers, directors, shareholders, members, managers, employees, affiliates, agents, successors and assigns of, for, from and against any and all Claims (defined below) arising from or related to this Agreement, whether such Claims relate to the period before, on or after the Closing Date. As used herein, "**Claims**" shall mean any and all actual or threatened claims, detriments, rights, remediation, counterclaims, liens, controversies, obligations, agreements, executions, debts, covenants, promises, suits, causes of action, actions, demands, liabilities, losses, damages, assessments, judgments, fines, penalties, threats, sums of money, accounts, costs, expenses, known or unknown, direct or indirect, at law or in equity (including, without limitation, reasonable attorneys' fees and other professional fees of attorneys and professionals selected by Developer), whether incurred in connection with any investigation, non-judicial, quasi-judicial, judicial, mediative, arbitative, or administrative actions or proceedings or otherwise (including pretrial, trial, appellate, administrative, bankruptcy or insolvency proceedings) or in settlement or in any other proceeding and whether or not suit was filed thereon. The provisions of this Section 6 shall survive the expiration or termination of this Agreement.

7. **ESCROW HOLDER.**

7.1 **Duties of Escrow Holder.** Escrow Holder shall act with reasonable diligence in performing its duties hereunder. Agency or Developer may at any time, from time to time, require an accounting of all monies deposited into and remitted from the Account. Within ten (10) days after the end of each calendar quarter, Escrow Holder shall send to Agency and Developer a statement showing all deposits, withdrawals, and interest credits of the Account for the previous calendar quarter, as well as the current balance of the Account.

7.2 **Claims of Escrow Holder.** Escrow Holder shall have no claim against the Account or Account Funds and relinquishes any right or claim it may have against the Account and such Account Funds.

7.3 **Resignation of Escrow Holder.**

(a) Escrow Holder may resign as escrow agent hereunder at any time by giving sixty (60) days prior written notice to Agency and Developer. In such event Agency shall select a new escrow agent doing business in the Portland, Oregon metropolitan area, whose selection shall be subject to the reasonable approval of Developer. Promptly after selection of the new escrow agent, Escrow Holder shall transfer over to the new escrow agent all of the funds in the Account and shall be relieved of any duties hereunder arising thereafter except for the obligation to give the reports required hereunder with respect to any prior or current periods. Contemporaneously with such transfer, Escrow Holder shall deliver to Agency and Developer a report showing the amount transferred. The new escrow agent shall execute and deliver an instrument accepting its appointment and the new escrow agent shall be vested with all of the estates, properties, rights, powers and duties of the predecessor escrow agent as if originally named as Escrow Holder.

(b) If Escrow Holder resigns upon written notice as provided for hereinabove and successor escrow agent is not appointed within thirty (30) days after such notice, then Escrow Holder may petition to an Oregon court of competent jurisdiction to name a successor and agrees to perform its duties hereunder until its successor is named.

7.4 **Instructions to Escrow Holder.** All instructions to Escrow Holder shall be submitted in writing, signed by an authorized representative of the submitting party, with a simultaneous copy to the other party. Once submitted, instructions may not be withdrawn or altered without the consent of both the Agency and the Developer.

7.5 **Escrow Fees.** Escrow fees shall be shared equally by Developer and the Agency.

8. **DEVELOPER OBLIGATIONS UNDER THE PLAN.** Pursuant to Section 630 and 900 of the Plan, Developer agrees as follows:

8.1 The Property shall be used for the purposes designated in the Plan, and shall develop and use the Property in accordance with the land use provisions and building requirements specified in the Plan.

8.2 Developer shall begin and complete the development of the Property within the time periods set forth in this Agreement, which the Agency deems to be a reasonable period of time for redevelopment of the Property.

8.3 The Developer shall submit all plans and specifications for the construction of the Building Improvements to the Agency for review and approval to determine compliance of such plans and specifications with the Plan.

8.4 Developer covenants that it will not discriminate against any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property.

8.5 Developer shall maintain the Property in a clean, neat and safe condition.

8.6 The foregoing covenants shall be binding upon and run for the benefit of the parties hereto and their respective assigns and successors in interest, subject to Section 9.12. In the event the Developer or any of its lessees, licensees, agents or other occupants, uses the Property in a manner inconsistent with Section 8 of this Agreement, the Agency may bring all appropriate legal and equitable actions.

9. GENERAL PROVISIONS.

9.1 Attorneys' Fees. The parties shall bear their own costs and attorney fees in the event an action is brought to enforce, modify or interpret the provisions of this Agreement.

9.2 Notice.

(a) All notices given pursuant to this Agreement shall be in writing and shall either be (i) mailed by first class mail, postage prepaid, certified or registered with return receipt requested, or (ii) delivered in person or by nationally recognized overnight courier.

(b) Any notice (i) sent by mail in the manner specified in subsection (a) of this section shall be deemed served or given three (3) business days after deposit in the United States Postal Service, and (ii) delivered by nationally recognized overnight courier shall be deemed served or given on the date delivered or refused (or the next business day if not delivered on a business day). Notice given to party in any manner not specified above shall be effective only if and when received by the addressee as demonstrated by objective evidence in the possession of the sender.

(c) The address of each party to this Agreement for purposes of notice shall be as follows:

AGENCY:

Clackamas County Development Agency
c/o Development Agency Manager
150 Beaver Creek Road
Oregon City, Oregon 97045
Attn: Dave Queener
Email: davidque@co.clackamas.or.us

DEVELOPER:

AHP Acquisitions 2, L.L.C.
c/o Anchor Health Properties
425 Seventh Street NE
Charlottesville, VA 22902
Attn: Bret M. Reed, Legal Counsel
Email: legal@anchorhealthproperties.com &
lwhite@anchorhealthproperties.com &
dbaker@anchorhealthproperties.com &
esellers@anchorhealthproperties.com

ESCROW HOLDER:

Chicago Title Company of Oregon
1211 SW Fifth Ave, Suite 2130
Portland, Oregon 97204
Attn: Wendy Guerin
Email: wendy.guerin@ctt.com

9.3 **Nonliability of Officials and Employees.** No member, manager, shareholder, director, officer, elected official, employee, affiliate, agent, or representative of any of the parties shall be personally liable to the other party or any successor-in-interest thereto, in the event of any default or breach by either party or for any amount that may become due to either party or its successor, or any obligations under the terms of this Agreement.

9.4 **Headings.** Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

9.5 **Time of Essence.** Time is of the essence of this Agreement. All obligations of the Agency and the Developer to each other shall be due at the time specified by the Agreement, or as the same may be extended by mutual agreement of the parties in writing.

9.6 **Severability.** If any clause, sentence or any other portion of the terms and conditions of this Agreement become illegal, null or void for any reason, or held by any court of competent jurisdiction to be so, the remaining portion will remain in full force and effect.

9.7 **No Partnership.** Neither anything in this Agreement nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the parties to this Agreement.

9.8 **Nonwaiver of Government Rights.** Subject to the terms and conditions of this Agreement, by making this Agreement, the Agency is specifically not obligating itself, the County, or any other agency with respect to any discretionary action relating to the acquisition of the Property or development, operation and use of the improvements to be constructed on the Property, including, but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances or any other governmental agency approvals that are or may be required.

9.9 **Non-Integration**. This Agreement supplements the obligations of the parties under the DA, all of which shall be construed to be consistent with one another to the maximum extent possible. The terms and provisions of this Agreement do not modify or otherwise affect the terms and provisions of any other agreement between some or all of the parties hereto. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the Agency and the Developer, and all amendments thereto must be in writing by the appropriate authorities by the Agency and the Developer.

9.10 **Further Assurances**. The parties to this Agreement agree to execute and deliver such additional documents and to perform such additional acts as may be reasonably necessary to give effect to the terms and provisions contemplated herein.

9.11 **Counterparts; Facsimile and Electronic Signatures**. This Agreement may be executed in counterparts. Facsimile and electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission, shall be the same as delivery of an original. At the request of either party, or an escrow officer, the parties shall confirm facsimile transmitted signatures by signing an original document.

9.12 **Binding Effect**. Except as otherwise provided herein or in the Disposition Agreement, no party hereunder shall assign its rights and/or obligations under this Agreement without the consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement is made for the sole benefit of the parties hereto and their permitted successors and assigns, and no other person or party shall have any right of action under this Agreement or any right to the funds in the Account. Subject to the terms of this Section 9.12, this Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors and assigns. Notwithstanding the foregoing provisions of this Section 9.12 or any other terms or provisions of this Agreement, Agency may assign this Agreement and all associated agreements, rights, and obligations, to an affiliated governmental entity.

9.13 **Force Majeure**.

(a) **Event of Force Majeure**. The time for performing obligations under this Agreement shall be extended, on a day-for-day basis, due to, and a party shall not be liable for, or deemed in breach of this Agreement because of, any failure or omission to timely carry out or observe its obligations under this Agreement, to the extent that such performance is rendered impossible or is materially and demonstrably delayed by any event where the failure to perform or the delay is beyond the reasonable control of, and could not have been reasonably foreseen by, the nonperforming party; provided that such event is not caused by or attributable to the negligence or fault of, or breach of its obligations hereunder by, such party, and could not have been avoided by prudent commercial practices (any such event, a “Force Majeure Event”).

(b) **Notice of Force Majeure Events**. As a condition to claiming a Force Majeure Event, the claiming party shall promptly give the other party a written notice describing the particulars of the Force Majeure Event of the occurrence of any such Force Majeure Event, including an estimate of the expected duration and the probable impact of the Force Majeure Event on the performance of such party’s obligations hereunder. The parties hereto agree to use

reasonable efforts to notify each other of potential Force Majeure Events and update each other on developments regarding potential Force Majeure Events.

(c) **Mitigation.** Suspension or extension of a party's obligations or performance under this Agreement due to a Force Majeure Event shall be of no greater scope and no longer duration than is reasonably required by such Force Majeure Event. The party claiming a Force Majeure Event, where reasonably possible, shall have a duty to alleviate and mitigate the cause and effect arising from such Force Majeure Event, and to resume performance of its affected obligations under this Agreement promptly after being able to do so. The burden of proof with respect to a Force Majeure Event shall be on the party claiming the same.

9.14 **Exhibits.** All exhibits listed on the signature page below and attached hereto are incorporated into and constitute a part of this Agreement.

9.15 **Friday, Saturday, Sunday and Legal Holidays.** If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on Friday, Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter.

9.16 **Neutral Construction.** This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and shall not be construed against either party.

9.17 **Applicable Law.** This Agreement shall be construed, applied and enforced in accordance with the laws of the State of Oregon without giving effect to the conflicts of law provision thereof.

9.18 **Waiver.** Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or waiver of the provision itself or any other provision.

9.19 **Memorandum of Agreement.** On or about the Effective Date, the parties will execute and deliver a memorandum of this Agreement in mutually acceptable form, which shall be recorded in the official records of Clackamas County, Oregon. This Agreement shall not be recorded. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective assigns and successors in interest. Upon termination of this Agreement, the parties shall execute and record at Developer's expense an instrument in mutually acceptable form evidencing such termination.

9.20 **Dispute Resolution.** Each party waives its rights to trial by jury in any claim, action, suit, or proceeding arising out of this Agreement or the transactions relating to its subject matter.

[SIGNATURES START ON NEXT PAGE]

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

DEVELOPER:
AHP Acquisitions 2, L.L.C.
a Delaware limited liability company

By: _____
Name: _____
Date of Execution: _____

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

AGENCY:
Clackamas County Development Agency

By: _____
Name: _____
Title: _____
Date of Execution: _____

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

ESCROW HOLDER:
Chicago Title Company of Oregon
an Oregon corporation

By: _____

Name: _____

Title: _____

Date of Execution: _____

List of Exhibits

Exhibit A Scope of Development
Exhibit B Schedule of Performance

EXHIBIT A

Scope of Development

The Development consists of an approximately 30,000-41,000 square foot medical office building, with associated parking, lighting, landscaping and public improvements as may be required by applicable laws, regulations and ordinances.

EXHIBIT B

Schedule of Performance

Anticipated completion dates for the following benchmarks to be provided by Developer:

<u>Estimated Development Schedule</u>			
Phase	Start Date	End Date	Number of Days
Due Diligence	05/11/2023	11/08/2023	181 days
Concept Design Review	05/16/2023	08/14/2023	90 days
Construction Documents	09/01/2023	04/01/2024	213 days
Permitting	04/02/2024	10/03/2024	184 days
Begin Construction (Core/Shell)	10/02/2024	11/01/2025	395 days
Complete Construction (Core/Shell)	11/03/2025	12/04/2025	31 days

***These dates are estimates only.**

EXHIBIT D

Form of Bargain and Sale Deed

AFTER RECORDING SEND TO:

**UNTIL A CHANGE IS REQUESTED
ALL TAX STATEMENTS SHALL
BE SENT TO:**

STATUTORY BARGAIN AND SALE DEED

CLACKAMAS COUNTY DEVELOPMENT AGENCY, the Urban Renewal Agency of Clackamas County (“Grantor”) conveys to **AHP ACQUISITIONS 2, L.L.C.**, a Delaware limited liability company (“Grantee”) all of Grantor’s interest in that certain real property located in Clackamas County, Oregon, as more particularly described on Exhibit A attached hereto.

The true consideration for this conveyance is Eight Hundred Fifty Thousand and no/100 Dollars (\$850,000.00).

There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property subject to this conveyance.

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 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.

DATED as of _____, 20__.

CLACKAMAS COUNTY DEVELOPMENT AGENCY

By: _____
Name:
Its:

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me on _____, 2023, by _____, as _____ of Clackamas County Development Agency.

Notary Public for Oregon
My commission expires:

EXHIBIT A to Bargain and Sale Deed

Legal Description

EXHIBIT E

Memorandum of Post-Closing Agreement

When Recorded Return To:

MEMORANDUM OF POST-CLOSING AGREEMENT

This Memorandum of Post-Closing Agreement (this “**Memorandum**”) is made and dated as of _____, 20__ (the “**Effective Date**”), by **CLACKAMAS COUNTY DEVELOPMENT AGENCY**, the Urban Renewal Agency of Clackamas County (the “**Agency**”), and **AHP ACQUISITIONS 2, L.L.C.**, a Delaware limited liability company (the “**Developer**”).

The Developer acquired that certain real property described on attached Exhibit A (the “**Property**”) from the Agency.

In connection with the acquisition of the Property, the Agency and the Developer entered into that certain Post-Closing Escrow and Development Agreement dated as of _____, 2023 (the “**Post-Closing Agreement**”). Capitalized terms used in this Memorandum without definition will have the meanings given in the Post-Closing Agreement.

The Post-Closing Agreement, among other things, provides for Developer to make certain improvements to or for the Property, including construction of an approximately 30,000-41,000 square foot medical office building.

This Memorandum is solely for recording purposes and shall not be construed to in any way alter, modify, amend, or supplement the Post-Closing Agreement or any term or condition thereof.

This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same Memorandum and shall be effective when one or more counterparts have been signed and delivered by the Owners.

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

“AGENCY”

**CLACKAMAS COUNTY DEVELOPMENT
AGENCY**

By: _____
Name:
Its:

STATE OF OREGON)
) ss.
COUNTY OF _____)

On _____, 2023 before me personally appeared _____ as the
_____ of Clackamas County Development Agency, who executed the within and
foregoing instrument, and acknowledged said instrument to be the voluntary act and deed of said
agency.

WITNESS my hand and official seal.

Notary Public for the State of Oregon
My commission expires: _____

“DEVELOPER”

AHP AQUISITIONS 2, L.L.C., a Delaware limited liability company

By: _____
Name:
Title:

STATE OF OREGON)
) ss.
COUNTY OF _____)

On _____, 2023 before me personally appeared _____ as the _____ of _____, LLC, a Delaware limited liability company, who executed the within and foregoing instrument, and acknowledged said instrument to be the voluntary act and deed of said cooperative.

WITNESS my hand and official seal.

Notary Public for the State of Oregon
My commission expires: _____

**EXHIBIT A to Memorandum of
Post-Closing Agreement**

Property Description

EXHIBIT F

Scope of Development

The Development consists of an approximately 30,000-41,000 square foot medical office building, with associated parking, lighting, landscaping and public improvements as may be required by applicable laws, regulations and ordinances.