

Via Email Delivery

August, 11 2016

Mr. Scott MacLean
Colliers International
Suite 1200
851 SW Sixth Avenue
Portland, OR 97204

RE: 2400 NW Front Ave - Terminal 1

Dear Mr. MacLean:

The purpose of this letter is to describe the general terms and conditions under which Conax Properties USA, Inc., or its assignee (hereinafter "Conax"), would be interested in pursuing the acquisition of the above referenced property from its current owner (the "Seller").

I. Property Description

14.48 acre property located in Portland, OR and commonly known as the Terminal 1 (the "Property" - actual situs of parcel, address and legal description to be determined in drafting of Purchase and Sale Agreement (as defined below)).

II. Interest to be Purchased

Conax shall acquire a 100% fee simple interest in and to the Property, free and clear of any liens or encumbrances or specific encumbrances approved by Conax, together with easements, and other matters of record acceptable to Conax.

III. Purchase Price

The total consideration for the ownership interest being acquired by Conax shall be Eight Million One Hundred Thousand Dollars (\$8,100,000.00) all cash at closing.

IV. Purchase and Sale Agreement

Closing shall be subject to the conditions contained herein as memorialized in a definitive and binding purchase and sale agreement (the "Purchase and Sale Agreement"). Preparation and negotiation of the Purchase and Sale Agreement shall commence upon execution by Seller of this letter of intent and be complete within ten (10) business days of the mutual execution of this letter of intent.

V. Earnest Money

Within one (1) business day after execution of the Purchase and Sale Agreement, Conax shall deliver to First America Title Insurance Company Earnest Money in the amount of One Hundred Thousand Dollars (\$100,000), which shall become non-refundable upon the expiration of the Review Period (defined below). The Earnest Money shall be credited to the Purchase Price at closing. An additional One Hundred Thousand Dollars (\$100,000), also applicable to the Purchase Price at closing shall be delivered and shall be included in the Earnest Money upon expiration of the Review Period.

VI. Inspection and Review

The transaction described above shall be contingent upon Conax's satisfactory review and approval of the following:

- (a) All plans and specifications, including all architectural drawings and engineering calculations pertaining to the Property;
- (b) The results of any inspections or studies which Conax may (in Conax's sole and absolute discretion) elect to make (including, without limitation, audits, feasibility studies, soils, environmental, and engineering studies) at Conax's sole cost and expense;
- (c) The results of any inspections undertaken by the Seller or any other party or received from a previous ownership relating to the Property, including, without limitation, any environmental or hazardous materials studies or assessments;
- (d) The existing title report for the Property, together with copies of all documents referred to in such report as exceptions to the Seller's title to the Property;
- (e) A current A.L.T.A. survey of the Property depicting, among other things, the location of all existing improvements which are part of the Property and easements, setbacks, encroachments and other encumbrances which affect the Property;
- (f) Any reciprocal operating agreements, CCR's, development agreements, management contracts, or other such documents relating to the Property;
- (g) Any ground or air leases relating to the Property; and
- (i) and anything else Conax determines in its sole discretion is related to the Property

Conax shall have forty-five (45) days with a unilateral right to extend fifteen (15) days from the date the Purchase & Sale Agreement has been executed by both parties (the "Review Period") to review and approve (in Conax's sole and absolute discretion) said items and accomplish any additional inspections or tasks relevant to Conax's due diligence which Conax may elect to perform at its sole cost and expense. Seller shall be required to provide all information reasonably requested by Conax in a timely manner to allow for completion of the inspections and review during the Review Period in the above-referenced time frame. In the event Conax notifies Seller at any time prior to the expiration of the Review Period that Conax desires to terminate the Purchase and Sale Agreement for any reason or no reason at all, the Purchase and Sale Agreement shall terminate.

VII. Closing

Subject to the terms and conditions hereof and of the Purchase and Sale Agreement, closing shall take place no later than: Thirty (30) days after the successful completion of the Review Period.

VIII. Closing Costs

All other closing costs incurred in connection with this transaction shall be apportioned in accordance with local custom and according to the executed Purchase and Sale Agreement.

IX. Broker's Commission

Seller and Purchaser acknowledge that Colliers International and Marcus & Millichap shall share the commission in connection with this transaction with Marcus and Millichap receiving 1% of the purchase price, which shall be paid by Seller. Each party shall hold the other harmless from any claims for other brokerage/advisory fees or commissions.

X. Exclusive Right to Negotiate

As an inducement to Conax to continue its investigations of the Property, and in recognition of the costs to be borne by Conax in respect thereto and in consideration therefore (among others), Seller (by countersigning and returning to Conax the enclosed copy of this letter) agrees that neither Seller, nor Seller's affiliates, nor Seller's brokers or representatives, shall enter into any agreement to sell or encumber all or part of the Property.

XI. General

The matters addressed in this letter are merely an expression of the interest of the parties with respect to the Property and, except for the exclusive right to negotiate set forth in Article X, are not intended to be binding upon either Conax or Seller. Nothing set forth in this letter

Mr. Scott MacLean
Colliers International
Page 4

constitutes a contract or binding agreement of any type (except for the exclusive right to negotiate set forth in Article X above).

If the above general terms and conditions are acceptable, we request that Seller's authorized representative acknowledge the same by signing and returning the enclosed copy of this letter by no later than August 15, 2016.

Sincerely,
Conax Properties USA, Inc.



By: _____
Its: Vice President

AGREED AND ACCEPTED THIS ___ DAY
OF _____, 2016

SELLER: _____
By: _____
Its: _____